

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, AUGUST 2, 1934

S O L V E D !



THE mystery: Why didn't the insurance man get the copy of The Employers' Pioneer he sent for? The solution: We get hundreds of requests; we get several out of every hundred from readers who are in such a hurry to get this informative insurance periodical that they omit, in their haste, their address, or sign their name illegibly. We use magnifying glass, agents' directories, and make every possible effort to identify the unknown readers of our advertising. But we sometimes fail. We're sorry. We can only ask those who wrote and got no answer to write again, please. . . . You will find the August issue particularly interesting with stories of what causes automobile accidents, recent court decisions affecting insurance, suggestions regarding collections, and other features. To get your copy address The Publicity Department of The Employers' Group, 110 Milk Street, Boston, Mass. . . . The Employers' Group includes The Employers' Liability Assurance Corporation, Ltd., The Employers' Fire Insurance Company and the American Employers' Insurance Company.



Sound Stock Companies The Bulwark of All Credit Transactions

	Capital	Assets	Liabilities Less Contingency Reserve	Contingency Reserve†	Surplus to Policyholders (Market Quotations December 31, 1933)
*UNITED STATES FIRE INSURANCE CO. Organized 1824	\$2,000,000	\$25,267,450	\$11,874,512	\$1,552,843	\$11,840,096
*THE NORTH RIVER INSURANCE CO. Organized 1822	2,000,000	18,511,779	7,416,966	1,211,719	9,883,094
*WESTCHESTER FIRE INSURANCE CO. Organized 1837	1,000,000	16,484,976	8,302,483	1,700,081	6,482,412
THE ALLEMANNIA FIRE INS. CO. OF PITTSBURGH. . . Organized 1868	1,200,000	4,837,895	1,830,782	199,439	2,807,674
*RICHMOND INSURANCE CO. Organized 1907	1,000,000	4,093,517	1,487,248	255,106	2,351,163
WESTERN ASSURANCE CO., U. S. BRANCH, Incorporated 1851	400,000**	3,890,341	1,788,430	364,243	1,737,668
BRITISH AMERICA ASSURANCE CO., U. S. BRANCH. Incorporated 1833	200,000**	2,319,923	1,097,479	101,924	1,120,520
SOUTHERN FIRE INSURANCE CO., DURHAM, N. C. . . Incorporated 1923	200,000	1,207,000	379,425	13,793	813,781

*Company operates under Sections 130-1-2 of the New York Insurance Law.

**Statutory Deposit.—New York Insurance Law.

†Contingency Reserve represents difference between value carried in assets and actual December 31, 1933, market quotations on all bonds and stocks owned.

CRUM & FORSTER MANAGERS

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SAN FRANCISCO

SOUTHERN DEPT.
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NEW YORK
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DURHAM, N. C.

The National Underwriter

Thirty-Eighth Year—No. 31

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, AUGUST 2, 1934

\$4.00 Per Year, 20 Cents a Copy

Pearl Is Leaving the Pacific Board

Can Not Come to Terms as to Policy in Future on Pacific Coast

CONKLIN IN ULTIMATUM

Officials of Organization Offered as Liberal Arrangements as They Could Reasonably Do

NEW YORK, Aug. 1.—The Pearl Assurance of London, having resigned its membership in the Pacific Board, will henceforward operate throughout the territory on a non-affiliated basis, under the direction of A. L. Merritt of San Francisco as newly appointed Pacific coast manager.

The move, which has been a source of eager speculation on the west coast for some weeks past, follows the failure of C. S. Conklin, United States manager of the Pearl, and the executive committee of the Pacific Board to reach a satisfactory arrangement under which the Eureka-Security of Cincinnati and the Monarch of Cleveland, affiliates of the Pearl, would join the Pacific organization.

Issue Over the Membership

The Pearl had been a member of the Pacific Board for the past two years. It purchased control of the Eureka-Security last March, and prior thereto effected a close working alliance with the Monarch, whereupon its management was notified that the two latter companies would have to seek membership in the governing organization, or the Pearl be compelled to retire. Both the Eureka-Security and the Monarch had been conducted on a non-association basis throughout the west coast field for several years, within which time each had established valuable agency connections. These Mr. Conklin was not disposed to sacrifice unless assured by the executive committee of the Pacific Board, that (1) ample time would be allowed each company within which to adjust its local agency arrangements, and (2) pledges given that the board would not later make affiliation with other regional governing bodies throughout the country, a condition of continued association membership.

Conklin Made Coast Trip

While the executive committee agreed to a limited adjustment period, it was not sufficiently long however, in the mind of Mr. Conklin. It declined absolutely to obligate itself as to future membership conditions stating that as to whether complete association alliance the country over would be made a condition precedent to membership in any territorial body, was a matter for head office executives only to determine.

(CONTINUED ON PAGE 21)

HOLC Officials Consider Several Insurance Plans

PROPOSE AUTOMATIC COVER

Bids of National Agents Association, New York Brokerage House and Others Are Similar

At least three company groups and one brokerage house, in addition to the National Association of Insurance Agents, have submitted to directors of the HOLC proposals for handling fire insurance on properties on which the government loans are made. It is probable that other groups will make proposals. A New York brokerage house offered a plan more than a year ago.

The proposals are similar in most respects. They are now being studied by HOLC officials and it is expected that decision will be reached in a month or so. The National association is the only bidder whose program has been published. Details of the other plans are not known, but in general the idea is to issue an open automatic binder reporting policy for each state and territory and properties, on which HOLC made loans will be covered against fire, lightning, tornado, cyclone and wind-storm damage or loss up to appraised value or the amount of loan, whichever is smaller. The insurance automatically would become effective when the loan was closed and/or at expiration of insurance under any policy covering the property.

Propose Automatic Coverage

One proposal was to give automatic coverage for an agreed number of days without notice from the HOLC and without premium charge, on the condition that if the corporation wanted the insurance continued thereafter it would report within a certain number of days after closing the loan or expiration of other insurance. There would be provision for covering buildings in course of construction and those erected after a loan had been secured, and also to give inadvertence and oversight pickup coverage.

The plan first submitted would not deprive the borrower of his right to procure or continue his own insurance in favor of the HOLC and to cover his own interests, but under the present plan he cannot secure his own policy although he is free to choose a licensed agent or broker who is to receive commission on the amount of insurance on the borrower's property.

Under one plan it was optional with the HOLC to remit any additional premium due because of vacancies or other increase of hazard in accordance with the usual standard mortgage practice, the interest of the HOLC to be protected irrespective of any act of borrower which might affect or void the insurance.

Given Pro Rata Privileges

The HOLC could cancel the policy on any property within reasonable time from effective date on a pro rata basis, and other pro rata cancellation privileges would be permitted the HOLC. One plan was not to charge premium in case the policy was terminated within 45 days after the effective date. The

Arnall Critical of CCC Action on Cotton Coverage

CITES NEW DEAL PRINCIPLES

President of Southern Agents Conference Sends Hot Letter to Commodity Credit President

Chairman H. C. Arnall of the Southern Agents Conference has addressed a lengthy communication to President L. P. Talley of the Commodity Credit Corporation. He is sharply critical of the action of the latter in renewing the arrangement with three brokerage concerns for placing insurance on cotton controlled by the CCC, and ignoring the plea of the agency body that the business be placed by local men throughout the country.

Mr. Arnall maintains that acceptance of the agents' proposition "was justified on every reasonable ground of sound underwriting, equal cost, superior service and widest diffusion of benefit, which most certainly should guide you in allocating government insurance requirements which are paid for by tax-paying citizens everywhere."

Would Apply "New Deal"

Concluding Mr. Arnall says: "We may be in error as to the principles enunciated by this administration, or as to the purposes of the National Recovery Act. If so, we frankly confess no justification for our position, but we can not interpret their intent to require the unnecessary withdrawal of the livelihood of the many for the personal benefit of the few. In this particular matter it is not debatable at this time whether the administration's principles are right or wrong. They have been enacted into law by the will of the majority and so long as they possess that status we consider it our right and privilege, as federal taxpayers and citizens, to insist that these principles be recognized and applied by the administrative departments of the government."

more recent proposals have omitted the pro rata features.

Adjustment of losses would begin within five days after notice was received and claims would be paid within ten days after receipt by companies of the proofs of loss. Loss payments would be made to the HOLC only and not to the owners and the corporation as the interest might appear, as is usually done in case of mortgaged property.

Similar to the National Association plan, other proposals are to set up an organization under direction of a man trained to handle so large an insurance undertaking, with complete service provided for reporting to the HOLC the status of insurance matters, including handling of policies supplied by home owners.

Exception to Cole's Statement

Exception has been taken in a number of quarters to a statement credited to E. J. Cole, chairman executive committee National association, that within five years the HOLC would have mort-

(CONTINUED ON PAGE 21)

New Auto Manual To Be Out Aug. 6.

Many Changes Are Embraced in Volume Which Was Completely Revamped

USE LOOSE LEAF STYLE

Fire Rate Down About 1 Percent; Theft 6 Percent; Collision Is Substantially Reduced

NEW YORK, Aug. 1.—Copies of the new rate manual of the National Automobile Underwriters Association will be distributed Aug. 6 to member company agents in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, District of Columbia, Illinois (except Chicago territory), Iowa, Kentucky, Minnesota, Nebraska, North Dakota, Ohio, South Dakota, Tennessee, Wisconsin, Colorado, Wyoming, New Mexico, Alabama, Florida, Georgia, North Carolina and South Carolina. In West Virginia the old manual and rules will remain in force until further notice. The effective date of the manual in Indiana, Kansas, Missouri and Oklahoma, will be announced later as will also that for the Pacific Coast territory.

The experts estimate that the revisions are equivalent to a reduction of about 1 percent in the fire rate and to a decrease of about 6 percent in the theft. Because of the classification of collision into four age groups instead of two as in the past, the general effect on collision rates cannot be accurately estimated but the changes represent a heavy reduction, which should stimulate sales.

In the new manual the stated amount rate and actual value premium sections for private passenger cars are combined. Each private passenger car listing in the past contained both the stated amount policy rates and actual value policy premiums.

Private passenger car collision premiums appear in separate schedules according to territory and with premiums dependent upon the original F. O. B. list prices of the cars to be insured. These new schedules contain collision premiums on a four-age group basis in lieu of the former "new" and "old" divisions. These schedules contain premiums for various forms of collision coverage.

Actual Value Premiums

Actual value premiums are displayed in each private passenger car listing according to territory and with premiums dependent upon the original F. O. B. list prices of the cars to be insured.

A separate list price section is provided as an addendum to the manual for obtaining original F. O. B. list prices.

(CONTINUED ON PAGE 18)

Merritt Is Made Manager of Pearl on the Coast

WILL LEAVE AMERICA FORE

Permanent Successor Will Not Be Appointed Until Later, President Culver Announces

SAN FRANCISCO, Aug. 1.—Alfred L. Merritt, vice-president America Fore companies on the Pacific Coast, has accepted an offer to manage the Pearl Assurance, which apparently plans to establish a Pacific department in San Francisco. Since entering California and other Pacific Coast states it has been represented so far by the old general agency firm of Edward Brown & Sons.

Mr. Merritt's Career

Mr. Merritt started in the insurance business in a Spokane local agency back in 1910 and two years later became a sprinklered risk surveyor for one of the sprinkler reciprocals. In 1913 he returned to stock insurance, joining the general agency of Macdonald & Miles in San Francisco and later the J. A. Hougard general agency, where he remained until 1919, when he was made assistant secretary of the Pacific department of the Continental. In 1922 he became manager of Rule & Sons, Los Angeles local agency and remained there until the readjustment of the America Fore companies Pacific Coast office, when he was appointed secretary of the Fidelity-Phoenix and American Eagle in 1922, at the time J. P. Breeden was secretary of the Continental. Later Mr. Merritt in 1925 was made secretary of all the companies on the Pacific Coast and a few years ago, after the Continental group obtained control of the Niagara and the coast offices were consolidated, he became vice-president.

The rumor in San Francisco is that Edwin Parrish, retired vice-president America Fore, will assume at least temporary charge of its offices pending the appointment of a successor to Mr. Merritt which awaits the return of Chairman Ernest Sturm from Europe.

MERRITT IN CLEVELAND

NEW YORK, Aug. 1.—A. L. Merritt who will assume the Pacific coast management of the Pearl as soon as he can be relieved from his present connection, has been manager of the coast department of the America Fore fire companies for several years. He was in this city some days conferring both with President Culver of the America Fore group and with Manager Conklin of the Pearl and is now in Cleveland, visiting the offices of the Eureka-Security and the Monarch in that city, following which he will go direct to San Francisco.

To Decide on Successor

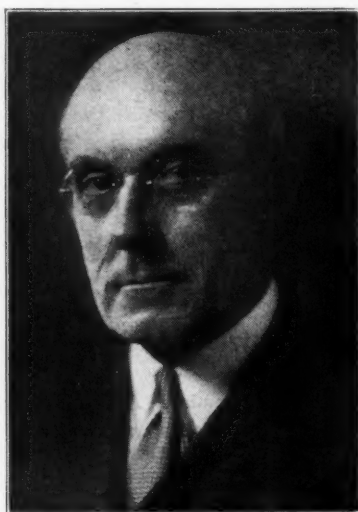
President Culver says a successor to Mr. Merritt will not be named by the America Fore until later, the staff being well able to function without calling in any outsider. He will visit San Francisco in September and make whatever final arrangements may seem advisable.

Edward Brown & Sons, San Francisco, former representatives of the Pearl, were on July 1 appointed managers of the American Home of New York for California, Oregon and Washington, succeeding in that capacity Seely & Co., former general agents.

McConnell Back from Europe

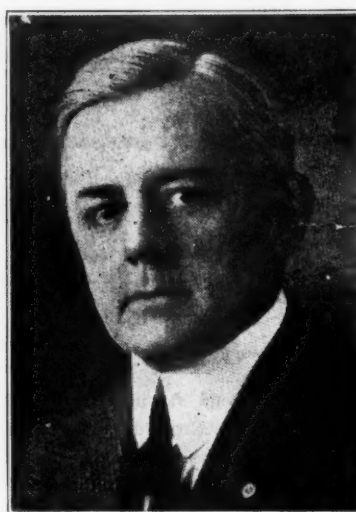
W. A. McConnell, United States manager of the Century of Scotland, is home from his recent visit to the head office of the company in Edinburgh.

Featured at Escanaba Meeting



W. G. McCUNE

Among those taking a prominent part in the meeting of the Michigan upper peninsula agents in Escanaba were J. P. Old of Sault Ste. Marie and W. G. McCune of Petoskey. Mr. Old presided in stimulating fashion at the round table



JOHN P. OLD

discussion in the morning and maintained the proceedings at a good pitch. Mr. McCune is president of the Michigan Association of Insurance Agents and was a featured speaker at the convention banquet.

Scottish Underwriter Sees Insurance "Invasion" Soon

Prediction that within a month more than 300 British insurance men will invade the middle western part of the United States seeking to establish insurance connections, was made by Major Henderson of Aberdeen, Scotland, an underwriter at Lloyds who is in this country studying conditions. Major Henderson came here upon hearing in the financial district in London that the United States is about to enter its most prosperous era. In Omaha he entered into a contract with the Farmers & Merchants Mutual.

Propose St. Louis Agency Tax

ST. LOUIS, Aug. 1.—A tax of \$25 a year each on the 3,000 agents in St. Louis has been suggested as one means of helping to raise an anticipated deficit

N. Y. Exchange Is Acting on New Office Agent Rule

NEW YORK, Aug. 1.—At the special meeting of the New York Fire Insurance Exchange this week the amendment proposed by the advisory committee dealing with the office agency problem, will be disposed of. The amendment stipulates that such office arrangements as have been in force be sanctioned, but that no extension of the practice be permitted from the present date.

of \$4,523,000 in the city's sinking fund and general revenue fund for the 1934-35 fiscal year. At present individual agents are not compelled to pay any special license tax to the city. The city officials are also very seriously considering the 25 cents a policy tax on all insurance sold in St. Louis.

THE WEEK IN INSURANCE

Pearl Assurance definitely decides to retire from the Pacific Board. Page 1

Agents of upper peninsula of Michigan hold successful convention in Escanaba. Page 3

H. C. Arnall raps Commodity Credit Corporation for attitude on cotton insurance. Page 1

New automobile manuals to be distributed Aug. 6. Page 1

Additional speakers at annual convention of National Association of Insurance Agents announced. Page 2

Plans are announced for the annual meeting of the Iowa Association of Insurance Agents. Page 3

Separation to be applied in excepted cities in E. U. A. territory coincidentally and sometime in 1934, executive committee decides. Page 3

Three resolutions designed to defeat unfair competition with local agents adopted by Kentucky association's executive committee. Page 4

Monarch Fire of Cleveland will increase its capital from 100,000 shares to 300,000 shares. Page 6

Alfred L. Merritt, former vice-president of the America Fore in charge of the Pacific Coast department, has been appointed Pacific Coast manager of the Pearl. Page 2

Illinois Insurance department takes action against agents that have been presenting many small claims against companies for which they are licensed. Page 8

Johnson & Higgins propose to make a survey of fire resistive furniture warehouses for members of the Furniture Warehouse Men's Association in order to secure lower rates. Page 7

Plate glass rates reduced in several territories effective Aug. 1, due to better experience, lower replacement cost. Page 23

No further developments are expected on the standard automobile liability policy until the insurance section of the American Bar Association meets Aug. 27 in Milwaukee. Page 23

Executives are considering from all angles various devices aimed at reducing the "not taken" evil. Page 23

Haystone Securities Corporation withdraws deposit in connection with offer to purchase new National Surety when court delay develops. Page 23

Additional Speakers for Agents' Meet Announced

COMMISSIONER BROWN TALKS

Pierce, Henry and Steckler Also on National Program at Grand Rapids Convention

NEW YORK, Aug. 1.—Additional speakers secured for the annual gathering of the National Association of Insurance Agents at Grand Rapids, Sept. 18-21, include Commissioner G. W. Brown of Minnesota, president National Convention of Insurance Commissioners; C. W. Pierce, vice-president America Fore companies; J. W. Henry, prominent general agent of Pittsburgh, and H. A. Steckler, New Orleans, president American Association of Insurance General Agents.

Commissioner Brown, who has been head of the Minnesota department four years, is a lawyer and formerly was for five years probate judge. He has been president of the commissioners convention since 1932. His talk at the agency gathering, it is understood, will be as to what insurance departments expect of local agents.

Pierce to Tell of Mutuals

Mr. Pierce, who has long made a special study of mutual insurance, will tell of "Present Day Aspects of Mutual Competition," a subject in which local men always have deep interest. Automobile insurance as a business-builder for local agents will be reviewed by Mr. Henry, his talk being based on personal experience.

Mr. Steckler will present greetings to the local agents from the general agents organization.

The program of group conferences and local board meetings is being arranged and when completed will be made public, together with the leaders for the sessions.

An innovation this year will be a special meeting of executive secretaries and managers of state associations and local boards.

CALIFORNIA SEEKS CUP

SAN FRANCISCO, Aug. 1.—Efforts will again be made by the California Association of Insurance Agents to win the mileage cup awarded to the state association which shows the largest total mileage of members in attendance at the annual convention of the National Association of Insurance Agents at Grand Rapids. The California association has won this cup for two successive years, and several local boards plan to send their presidents to the annual meeting. Among them are Sacramento, Oakland, Los Angeles and the East Bay Association.

Several members of the "official family" of the state association are also planning to attend, including E. R. Pickett, first vice-president; H. J. Thiel, national councillor; Eugene Battles and W. H. Menn, past presidents.

Ft. Worth Agency Appeals Dissolution of Injunction

FORT WORTH, TEX., Aug. 1.—The Glen Walker, Collett & Rigg agency is appealing the decision of Judge Bruce Young, who dissolved a temporary injunction restraining the Fort Worth board from enforcing regulation prohibiting representation of mutuals by members.

E. K. Collett pointed out that there is also pending a suit for damages to the extent of \$103,000 against the Fort Worth Insurance Underwriters Association and certain local agents. The agency is not mixed as it has not represented a mutual in two years, Mr. Collett stated.

Upper Peninsula Men Hold Parley

Agents, in Escanaba, Mich., Meeting Hail New Fictitious Fleet Ruling

WELL ATTENDED RALLY

Complain of HOLC Loss Draft Delay—
Discuss State Accident Fund—
W. T. Smith New President

By LEVERING CARTWRIGHT

The annual gathering of the agents of the upper peninsula of Michigan in Escanaba brought out an attendance of well over 100. This is the land of the bear and sawmill, iron and copper, but despite its far north aspects, the country is the home of dozens of first class agents, who keep abreast of the times and enter into association work enthusiastically. The Escanaba agents under the leadership of J. E. Byrns, the retiring president of the upper peninsula agents, had made careful preparations for the convention and its success and good attendance were largely due to their efforts.

The upper peninsula agents follow the practice of selecting the place for their next convention and then picking their officers from that town. Accordingly, Blaney Park having been chosen for the 1935 gathering, the new officers were chosen from the nearby town of Manistique. W. T. Smith is the new president; William Shinar, vice-president, and S. O. Crowe, secretary.

Round Table Discussion

The Escanaba proceedings started off with a round table discussion at the country club in the morning, presided over by John P. Old, well known local agent of Sault Ste. Marie—a session which developed valuable information on fictitious automobile fleets, on the movement to capture automobile fire and theft insurance on financed automobiles and on the status of the state accident fund. A Dutch lunch and "all the beer you can drink" party was held at the country club. The afternoon was left open for golf and in the evening there was a well attended banquet, which was marked by the appearance of W. G. McCune of Petoskey, president Michigan Association of Insurance Agents, and George Brown, secretary of the association. Commissioner Gauss of Michigan was unable to be present, but two officials from the insurance department were on hand and they were subjected to eager questioning on many points by the upper peninsula agents. They were Deputy Commissioner Ralph Wade and L. K. Power, an examiner.

Mr. Byrns opened the morning session, introducing Mayor C. J. Sawyer. Then Mr. Old took over the meeting. He introduced Mr. Wade as being ready to answer inquiries. O. V. Thatcher of the Delta agency in Escanaba inquired how far the insurance department could go in enforcing its ruling, which had just been announced, barring the inclusion of individually owned cars in employers' fleets. Mr. Wade replied there is no law in Michigan to permit the regulation of rates, but the contract form is developed under the financial responsibility act and the department feels that the phraseology in that statute gives them control. He expressed the belief that Michigan should have automobile rate regulation and he predicted that at the next session of the legislature an effective rate regulation statute will be enacted. In developing

Takes U. S. Post



R. W. BRANCH

R. W. Branch, former secretary of the Tulsa Fire & Casualty Insurance Association and of the Oklahoma Association of Insurers, has been appointed royalty advisor to the securities division of the federal trade commission.

such a statute, he said, conferences will be held with agents, companies and other interests.

In answer to a question from T. M. Redmond of Marquette, Mr. Wade said that a legitimate fleet now consists of five or more automobiles owned or operated by one assured.

Mr. Old asked whether the rule applied to mutual companies. Mr. Wade replied that it applied to all companies.

R. J. Bath of Iron Mountain inquired how the fleet rule will be enforced. Mr. Wade expressed the belief that competition would develop information as to violation. The department will investigate all complaints and, if substantiated, will bring action for penalties.

Mr. Old remarked that the automobile line is greatly disturbed today. It is the subject of keen competition and the fictitious fleet situation is one of the most disturbing factors.

Mr. Redmond brought up the question of finance companies and automobile insurance. He said that many garage dealers are soliciting insurance, without being licensed as agents, the policies being countersigned at the headquarters of the finance concern. The situation has become more offensive to legitimate agents since these concerns recently have been soliciting collision insurance as well as fire and theft.

"Key Men" Are Licensed

Mr. Wade said the policy of the department is to require the "key men" in the financing concerns to be licensed as agents. It is a nice question to determine just when an automobile dealer, who brings up the question of automobile insurance in advancing the financing plan, is making a definite insurance solicitation. If the finance companies continue to sell collision insurance, Mr. Wade expressed the belief that the department would have to require more general licensing of dealers. Everyone connected with the financing deal would have to be licensed. The department has the problem under consideration, he said.

Mr. Wade pointed out that in Michigan the assured who gets his coverage through the finance company, must be possessed of a policy or a copy of it issued in connection with the financing transaction. The policy must show the premium, amount of coverage, etc.

Mr. Old said that thousands of dollars in premiums each year are lost to the upper peninsula agents through the insurance operations of finance compa-

Program Is Announced for Iowa Local Agents' Meeting

PAINTER KNOX IS PRESIDENT

Annual Meeting to Be Held at Council Bluffs Has Many Interesting Features

Painter Knox of Council Bluffs, Ia., president Iowa Association of Insurance Agents, is rounding up the program for the annual meeting of his organization at Council Bluffs, Aug. 20-21. Charles Gardner, Omaha hotel man, will be toastmaster at the banquet and the main speaker will be J. F. Poucher, secretary Nebraska Humane Society.

On the first morning President Knox will call the assembly to order and the invocation will be given by Rev. J. R. Perkins of the First Congregational Church of Council Bluffs. Mayor Finerty will bring greetings and the response will be by Vice-president A. P. Speers of Centerville. President Knox will give his annual report as will Secretary J. E. Cole of Council Bluffs; A. C. Root of Clinton, chairman executive committee; Chester E. Ford of Des Moines, chairman legislative committee; John Petty of Des Moines, chairman fire prevention committee; Sam T. Morrison of Iowa City, national councillor; Roy Clay of Council Bluffs, chairman membership committee.

The afternoon of Aug. 20 there will be some set addresses. Earl V. Neuberger of Omaha, special agent Hartford Fire, will talk on "Sales Promotion." B. A. Jochem, secretary National Security Fire of Omaha, will have a paper on "Use & Occupancy." Fred E. Brake of Des Moines, special agent Aetna and president Iowa Fire Prevention Association, will talk on "Fire Prevention." George H. Moloney of Chicago, vice-president of Hartford Accident & Indemnity, will be the featured casualty speaker. John Hynes of Davenport will talk on "Relationship Between Agent and Company."

The morning of the second day, E. M. Allen of New York City, executive vice-president National Surety, will talk on "Forgery Bonds." George Long, claim manager Globe Indemnity, will speak on "Claims." Frank Van Buskirk, local agent at Shenandoah, Ia., will talk on "Farm Insurance." Insurance Commissioner E. W. Clark and State Fire Marshal John W. Strohm are on the program, as is President White of the Iowa Insurance Federation.

At the afternoon session Ohio Knox, local agent of Council Bluffs, will talk on "Value of Local Boards." John S. Cutter, Shenandoah agent, will speak.

F. T. Priest, Wichita, will represent the National Association of Insurance Agents.

He said the agents are entitled to consideration.

Mr. Thatcher said that when the movement was first launched several months ago to have the agents attempt to capture insurance from the finance companies, he took the question up with an automobile dealer in Escanaba. That dealer wrote to his principals inquiring whether they would accept insurance on financed cars from a local agent, with a loss payable clause protecting the finance company. The reply was that the finance company would accept collision insurance on that basis but not fire or theft. They stated if they permitted local agents to handle the insurance, they would lose track of the expirations, and there would be the possibility of the policy being cancelled for non-payment of premium without notice to the finance company. They stated they would not accept such insurance under any circumstances.

However, Mr. Thatcher said that he found that this prohibition was not uni-

(CONTINUED ON PAGE 10)

Apply Separation in East Jointly

E. U. A. Executive Committee Decides Excepted Cities Must Be Cleared Coincidentally

DATE TO BE SET LATER

Sentiment Among Company Officials to Push Movement Reported to Be Unchanged

NEW YORK, Aug. 1.—Separation in the excepted cities throughout the territory of the Eastern Underwriters Association is to be applied coincidentally, and not at different dates as was first proposed, and it will likely be made effective before the end of the year. This was the decision reached at a special meeting of the executive committee held here.

When additional data sought by the excepted city committees is secured, enabling the executive committee to present a complete picture to the general membership, a meeting of the E. U. A. will be called at a date as yet undetermined, but which will shortly precede the semi-annual gathering of the Western Underwriters Association, at Manchester, Vt., Sept. 18.

The latter organization adopted a cleared agency policy at its annual meeting last April, since which time the two bodies have kept closely informed as to the progress achieved by one another in working out details of the common program.

History of Movement

Decision to apply separation in the eastern excepted cities was reached at a special meeting of the E. U. A. March 7, member companies being required to effect such agency changes as were necessary in Boston, Buffalo, Baltimore, Philadelphia, Pittsburgh and Washington, D. C., on or before July 1, 1934. Unlooked for difficulties developed and it became necessary to defer the enforcement date, affording opportunity meantime for the different city committees to procure additional essential information as to agency conditions.

To the executive committee was delegated authority to name the date on which separation was to apply in each of the centers which would be dealt with seriatim. The need for still further data appeared when reports were submitted at the executive committee session, and agreement again to postpone the effective date of separation was reached.

Assurance is given that company sentiment continues strongly to support the separation movement, and that deferment of its application must not be construed as evidencing in the slightest degree any lack of sympathy on the part of the E. U. A. membership; rather was the delay caused by the desire carefully to consider every interest involved and to work out the program with a minimum of friction.

Western Canada Association Elects

WINNIPEG, Aug. 1.—J. V. Nutter of Enderton, Brydges & Waugh was re-elected president of the Western Canada Insurance Underwriters Association at the annual meeting. James Dowler was re-elected vice-president of the fire insurance division and H. J. Scott vice-president of the automobile division. Mr. Dowler is secretary of the Canadian Fire and Mr. Scott is superintendent of the Ocean Accident at Winnipeg.



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Summer "slumps" are often only a result of summer inertia. Fire and other hazards don't "lay off" during warm weather; people still need insurance — and will buy it when it is persuasively suggested to them. North America Agents are supplied with advertisements, folders, sales letters and other helps to keep up summer sales.

See the North America full page advertisement in the Literary Digest, August 11, 1934, and Time, August 13, 1934.

Insurance Company of North America

PHILADELPHIA

and its affiliated companies write practically every form of insurance, except life

Founded 1792
Capital \$12,000,000
Surplus to Policyholders over \$45,000,000



Off the Record Slants of Escanaba Gathering

Much entertainment at the convention of the agents of the upper peninsula of Michigan in Escanaba was provided by **B. J. Goodman**, who is connected with the W. V. Woody agency of the Equitable Life of New York in Chicago. Mr. Goodman was formerly a lumber jobber at Ishpeming, Mich. As a sideline he has developed talent for telling French, Finnish and Swedish dialect stories. At the morning session he was introduced as an uncle of A. J. Goulais of Escanaba, who had come down from Montreal to establish an agency in Sault Ste. Marie. Mr. Goodman was dressed in outlandish fashion and proceeded to mock some of the speakers of the morning. At the banquet, he recited some north woods poetry and told some dialect stories. He performs on the radio in Chicago frequently.

A favorite form of entertainment in the upper peninsula is the dialect story, the Finnish, Cornish and Swedish dialect being taken off in song, poetry and story. One of the most clever at this is **R. J. Pryal**, local agent of Escanaba, who furnished much entertainment with his mimicking.

Blaney Park, the place for the 1935 meeting, is a celebrated resort, about 25 miles from Manistique. It embraces several hundred acres and horseback riding, golf, swimming and tennis are among the features advertised. The upper peninsula agents are eager at some time to have a convention of the Michigan Association of Insurance Agents in their country and Blaney Park would be the scene for such a gathering.

F. J. Ney of the Fred L. Gray Company in Minneapolis, in addition to being a potent factor in the affairs of the Minnesota Association of Insurance Agents, keeps in close touch with neighboring associations. He attended the upper peninsula meeting and delivered some observations on compensation. He also makes it a point to go to the meetings of the Iowa agents.

John P. Old of Sault Ste. Marie demonstrated his salesmanship at the meeting. By midnight of the day of the meeting he had signed up 15 agents for membership in the Michigan Association of Insurance Agents and was going strong at that late hour. Mr. Old was accompanied by his son, John P. Old, Jr.

The resolutions committee consisted of **F. J. Duda**, Bessemer; **J. C. Wickstrom**, Norway; **G. M. Cox**, Iron River; **H. C. Cain**, Ironwood, and **J. P. Old, Jr.**

Among the bureau and company men on hand were **Walter Hansen** of Ishpeming, manager Western Adjustment; **George J. Smedman**, manager Marquette branch of the Michigan Inspection Bureau; **Stuart Morgan**, state agent Agricultural; **O. D. Wiche**, Phoenix of London; **J. R. Baker**, National Liberty; **R. C. Hitchon**, North British & Mercantile; **W. D. Cameron**, Boston and Old Colony; **G. J. Erickson**, Liverpool & London & Globe; **J. D. Pollock**, London Assurance; **W. J. Gillen** of Wausau, Wis., America Fore; **E. C. Sauley**, Great American; **M. Latta** of Milwaukee, American Automobile.

Among those at the meeting was **F. K. Guck** of Calumet, special agent for the Hartford. He is a brother of **Homer Guck**, publisher of the Chicago "Herald & Examiner," who formerly was in the newspaper business in the upper peninsula. **F. K. Guck** formerly operated a local agency at Calumet as well as operating as a special agent. Now he confines his attention exclusively to company work.

Phil Hupy of Gladstone buttonholed a number of agents, seeking their support in a movement to pass a law in

Kentucky Agents Move to Defeat Unfair Competition

ADOPT THREE RESOLUTIONS

Executive Committee Condemns I. U. B. Practices, Stock Reinsurance in Mutuals—Appeal to W. U. A.

LOUISVILLE, Aug. 1.—The executive committee of the Kentucky Association of Insurance Agents at a meeting here adopted three resolutions aimed at protection of the local agents from unfair competition. One condemned practices of the Interstate Underwriters Board, and gave the president power to name a committee to operate under the executive committee for further investigation of operation and practices of the I. U. B., in connection with a resolution passed by the June convention at Lexington, having to do with the Schenley distillery loss at Lexington.

Another resolution condemned stock companies reinsuring mutuals, or permitting their adjusters to adjust losses in mutuals.

Request W. U. A. to Act

A third resolution requested the Western Underwriters Association to instruct the Kentucky Actuarial Bureau to discontinue the practice of contacting assured direct, unless so requested by the assured, in the interest of harmony and for protection of rights of local agents.

G. R. Reed, Columbia, Ky., was named delegate to the National Association of Insurance Agents convention in Grand Rapids. The Home Owners Loan Corporation and Commodity Credit Corporation matters were discussed, but without taking action.

A motion carried making ineligible any agent who writes business in mutuals other than life companies.

Plan Big Membership Drive

A membership campaign was undertaken in which President Reed will direct the entire state and make a list of prospects. These will be assigned to members in each district, each to have a definite number of prospects to see, if possible, before Sept. 1. Special meetings will be held by local boards, attended by the president, or a speaker assigned by him. Local boards will provide in their rules for coextensive work for the benefit of the state body.

The special subcommittee to investigate I. U. B. operations is composed of **W. A. Reisert**, Louisville, chairman; **J. H. Gausepohl**, Covington, and **Judge H. B. Wilson**, Irvine.

Michigan permitting insurance companies to issue contracts covering fire department service charges. At present such policies are outlawed in Michigan but Mr. Hupy feels there is a real need for such insurance.

When Blaney Park was chosen for the place for the 1935 meeting and it was decided to select the officers from Manistique, it was found that **W. T. Smith** was the only agent present from that place. He was asked to recommend a slate of officers, which was embarrassing to him as he would naturally be the choice for president. He suggested **William Shinar** for president and himself for vice-president, with **S. O. Crowe** as secretary. He was overruled in this, however, and he was selected as president. Mr. Shinar arrived later in the day.

C. M. Thatcher is commonly regarded as the dean of insurance men in the upper peninsula. He is not very active in the business now and spends most of his time in California. He was in Escanaba at the time of the meeting and was greeted on all sides. His son is **O. V. Thatcher**, who is most active. A grandson also participated in the day's activities. He was **Charles Thatcher**, who played a trombone in the German comic band of high school students.

NEWS OF FIELD MEN

To Travel in Michigan Field

Charles W. Hitchcock Will Serve the Travelers Fire as Special Agent in That State

The Travelers Fire has appointed C. W. Hitchcock as special agent with headquarters at Detroit. He will be associated with M. Robert Olp, manager, and in his new duties will succeed the late F. E. Godwin, assistant manager. Mr. Hitchcock is a native of Indianapolis and was educated in Louisville. His insurance experience includes Dean schedule rating with the Kentucky Actuarial Bureau and the Iowa Insurance Service Bureau, analytic schedule rating with the New England Insurance Exchange, and special agency work in Connecticut and Massachusetts with the Queensland.

In 1925 Mr. Hitchcock joined the Travelers Fire as a member of the engineering and inspection division and in May, 1927, he went with J. W. Beach, Inc., Hartford, as engineer and manager of the fire insurance department.

To Invite Blue Goose to Chicago for 1935 Meet

At a meeting of the Illinois Blue Goose this week it was unanimously agreed by the officers to extend a very cordial invitation to the grand nest to hold its 1935 meeting in Chicago. A. T. Ahlin of the Norwich Union is most loyal gander and will extend the invitation. The Illinois pond will hold a meeting in Chicago in October, the evening preceding the meeting of the Illinois Fire Underwriters Association, a definite date for which has not yet been set.

The Illinois Blue Goose feels that Chicago may be the logical place for very frequent grand nest meetings as it is in the center of the country and has all the facilities for a convention of this kind. Heretofore it has been the custom to hold the annual meeting in the state where the retiring most loyal gander resides. It is stated that it is not the purpose of S. A. Mehorter of Newark, who will become most loyal grand gander, to invite the Blue Goose to his state next year.

Schedule of Events for Grand Nest Meet Given

A number of features for the grand nest meeting of the Blue Goose in Omaha, Aug. 20-23 have been determined upon. Sessions will be held in the Fontenelle hotel. On Monday, Aug. 20, there will be a meeting of the grand nest officers. Tuesday will be a day for getting acquainted and registering at the Happy Hollow Country Club. The business sessions will get under way Wednesday morning and will continue throughout the day. That evening will be designated as "All Ponds Night" and there will be a celebration at Peony park with the Nebraska pond as host. On Thursday the concluding business sessions will be held and officers elected. The annual banquet is scheduled for that evening. Announcement is made that the Dakota pond will spring a surprise at the convention.

H. H. Chittenden Honored

H. H. Chittenden, who has just completed five years as Ohio state agent of the Aetna Fire, was tendered a surprise in Columbus Wednesday evening. Fifteen managers and field men were in attendance, and in addition to a large volume of new business which Ohio agencies had written in his honor, he

was presented a silver julep set, in recognition of his Blue Grass nativity, connections, associations and ambitions.

Plan Ohio Meet Sept. 10-11

If present plans are carried out there will be a meeting of the Ohio Blue Goose and Ohio Fire Underwriters Association in Cincinnati Sept. 10-11. Plans are now being laid for a business meeting and initiation of the Blue Goose on the first

day and the field club meeting the next morning. In the afternoon the gathering will be adjourned to Colonel Cody's farm, just outside the city near Erlanger, Ky., where festivities will be the order of the day.

McClain With General

W. H. McClain has been appointed Oklahoma state agent of the General of Seattle. He was formerly state agent of the Monarch Fire.

Shield With Fireman's Fund

John E. Shield has been appointed special agent of the Fireman's Fund

group in charge of Los Angeles territory, succeeding R. O. Elmore, resigned. Mr. Shield was formerly with the Pacific Board.

Warr Heads Chesapeake Pond

BALTIMORE, Aug. 1.—E. H. Warr, chief of the Baltimore salvage corps, has been elected most loyal gander of the Chesapeake Blue Goose, succeeding E. L. Brady, general agent.

Other officers elected are: Supervisor, R. B. Stegmaier, North America; custodian, H. M. Wolf; guardian, R. A. Jonscher, North America; keeper, F. W. Brundick, and welder, J. F. Kell, Middle Department Rating association.

Busy streets in Chicago in 1865—the picture shows the northwest corner of Lake and La Salle Streets. Contrast the buildings with the beautiful skyscrapers forming the impressive skyline in the picture below.



“BACK IN ‘65” MILLERS NATIONAL began doing business in the early days of Chicago.

THE MIDDLE WEST had not yet emerged from its pioneer stage of commercial development when MILLERS NATIONAL made its humble start back in 1865. Chicago had hardly outgrown the proportions of a country town.

Yes time passes. Almost seventy years have gone by—years of experience—years of progress. Scenes have changed. New skylines tower high in 1934 to record an era of progress.

MILLER NATIONAL has grown with Chicago for more than two-thirds of the city's century of Progress. While Chicago has become the fourth city of the world, MILLERS NATIONAL has built up its resources and is

today one of the strongest fire insurance companies of our nation. Its service extends from coast to coast.

Never in the past seventy years has a MILLERS NATIONAL policy ever been subject to question. It has faithfully adhered to its honest purpose of giving prompt and satisfactory service and settlements. This record has given MILLERS NATIONAL a nation-wide reputation as a sound and honorable fire insurance company.

Today MILLERS NATIONAL offers the utmost in protection to its agency representatives. Behind its services are fine old traditions grown out of seventy progressive years of experience.

Are you interested in such a company? Then write to the Home Office in Chicago.



Photos by Kaufmann & Fabry—Chicago

1865



1934

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OKLAHOMA

OIL—Enough for a Nation



Easterners think of Oklahoma in the rich terms of millions of dollars in oil—Middle-westerners know the state to be rich in more than oil. The finest residential districts are to be found in its cities both large and small. Industries of many kinds have entered Oklahoma to achieve distinction. Oklahoma's leading citizens are among the foremost men of this nation. One of the last states to enter the Union, today Oklahoma must be considered as one of the most important of our commonwealths.

The Kansas City Fire & Marine Insurance Company is proud to announce the election of L. E. Phillips of Bartlesville, Oklahoma, as a member of the Board of Directors and the appointment of John E. Wilkinson of Oklahoma City as State Agent for the Company.

KANSAS CITY FIRE & MARINE INSURANCE COMPANY

"Over-night by mail and rail to all agents of the middle-west."

Home Office:	Managed by	Branch Office:
Federal Reserve Bldg.	R. B. Jones & Sons, Inc.	Insurance Exchange
Kansas City, Mo.	Kansas City	Chicago, Ill.

REINSURANCE

● FIRE AND CASUALTY ●

ROSSIA INSURANCE COMPANY

of America

THE METROPOLITAN FIRE
REASSURANCE COMPANY

of New York

THE FIRST REINSURANCE COMPANY

of Hartford

115 BROAD STREET

HARTFORD, CONN.

WHEN answering advertisements in this paper will you kindly mention that you "saw your ad in THE NATIONAL UNDERWRITER"?

Chief Warr also was elected delegate to the grand nest.

Plan Joint Blue Goose Picnic

H. M. Morey, Spokane insurance attorney and adjuster, has been appointed chairman for the Blue Goose picnic to be held at Hayden Lake, Ida., Sept. 1. All Blue Goose ponds in that section are invited to join the Washington organization for this event.

Ohio Field Club Scheduled

The Ohio Fire Underwriters Association has fixed its dates for meetings the remainder of the year as follows, several changes from the regular meeting dates being necessary because of holidays: August, no meeting; Sept. 11, Cincinnati; Oct. 9, Columbus; Nov. 7, Columbus; Dec. 4, Columbus.

Washington Blue Goose Elects

At the annual meeting of the Washington Blue Goose in Spokane A. D. Richards was installed as most loyal gander; Leo V. Sears, supervisor; G. J. McGaffigan, custodian; G. F. Laude, guardian; M. B. Mitchell, keeper; H. M. Morey, wielder. C. P. Brant was named delegate to the grand nest meeting. D. A. McKinley of Seattle, past most loyal grand gander, attended the meeting.

Reiss Joins the Mutuals

Fred Reiss, long connected with the Commercial Union at Cleveland and recently resigned as special agent, has joined the improved risk mutual group and will be connected with the Michigan department with quarters at Detroit. He thus returns to the employ of his old chief Fred A. Rye, who heads the Mutual syndicate.

To Remain in Richmond

S. K. Frayser, who recently resigned a field position in Virginia for the Firemen's organization, originally contemplated taking a position at the head office of that group. However he has since decided to remain in Richmond and is expected to announce a new connection there.

Ohio Inspections Planned

The Ohio Fire Prevention Association will inspect Middletown Nov. 15 and Dayton Oct. 17-18.

Boyce, Johnson on N. M. Program

John K. Boyce of Amarillo, past president of the Texas Association of Insurance Agents, will address the New Mexico agents at their annual convention in Santa Fe, Aug. 13, on the work of the state and National associations. Manager Alfonso Johnson of the Dallas Insurance Agents Association will talk on the possibilities of a local association, telling of the accomplishments of the Dallas exchange.

Waters Appoints Associate

Associated with W. A. Waters in the management of the newly opened eastern department of the Pacific National Fire in Philadelphia will be W. L. Greenway who was formerly manager of the Philadelphia local departments of the Lumbermen's and Philadelphia National. Mr. Waters formerly was superintendent of agencies for those companies. The eastern department embraces New England, New York, Pennsylvania, New Jersey, Delaware, Maryland, District of Columbia, Ohio and West Virginia.

Drastic Provision Omitted

The provision in the new Dallas fire prevention ordinance which would have held citizens liable to the city to pay costs of any fire they might cause through violation of the regulations will be omitted, according to Fire Chief Gambrell.

COMPANY NEWS

Munich Reinsurance Report

Underwriting Conditions in Continental Europe Reflected in Figures; Premiums, Losses Drop

The annual report of the Munich Reinsurance, one of the foremost of its kind in the world, covering transactions for the fiscal year ended June 30, 1933, is of general interest in that operations reflect to a considerable degree underwriting conditions existing in continental Europe and in some countries of the new world. Especially noteworthy is reference to the hazardous nature of the reinsurance business and how small is its net profit in comparison with annual turnover.

The reduction in premium income experienced by the Munich in the period is attributed by its management to diminution in trade, but as an offset losses decreased. The experience with fire business is summarized thus:

"The results in most countries were satisfactory, but in England, Canada, Holland and some less important spheres of operation the loss ratio was high. We attribute the satisfactory loss ratio—so far as the reinsurer, who is principally interested in industrial business is concerned—to the decreased pressure of work and fewer working hours, also to the fact that it is possible to select highly experienced workmen. Besides this, it must be admitted that in countries with fluctuating currencies the fact that goods are more valuable than money is appreciated.

Monarch Refinancing Plan

**New Stock Sale to Produce \$1,500,000
New Funds—Pearl to Underwrite Most of Issue**

The stockholders of the Monarch Fire of Cleveland will meet Aug. 15 to approve an increase in the authorized capital from 100,000 shares to 300,000 shares and to reduce the par value from \$5 to \$4 a share. President Ralph Rawlings states that 200,000 additional shares will be offered to stockholders under their preemptive right at \$7.50 a share.

The Pearl Assurance, with which the Monarch Fire is allied, has indicated its willingness to purchase at \$7.50 a share up to 100,000 shares that may not be subscribed for by stockholders. If any new shares remain after the stockholders are heard from and the Pearl takes it allotment, the rest will be offered to the public at \$7.50 a share. The Pearl will have the right to subscribe to shares not taken by the public. The Pearl has been associated with the Monarch since May 1933, through a reinsurance agreement. The proceeds will provide additional working capital for the Monarch and will enable it to extend its operations. The reduction of the par value will not only mean the transfer of \$100,000 to surplus but there will be an extra amount received in the sale of new stock which will also be added to surplus.

Central Manufacturers Figures

The Central Manufacturers Mutual of Van Wert, O., as of July 1 shows assets \$4,465,798, contingency reserve \$250,000, premium reserve \$2,011,806, net surplus \$1,995,678. The combined loss and expense ratio for the six months was under 70 percent. The gain from underwriting was \$447,939, premiums earned being \$1,515,526.

General Promotes Staff Members

The General of Seattle has elected R. H. Baldwin and F. F. Kurz vice-presidents; L. E. Crowe, secretary, and D. D. Bower, auditor. T. E. Loynahan is

vice-president of the General Casualty. Mr. Kurz has been with the General since organization in charge of fire underwriting and later as assistant secretary. Mr. Baldwin has been in charge of investments since 1927 and was promoted from secretary-treasurer. The promotions of Mr. Crowe and Mr. Bower were from auditor and assistant auditor respectively, both having been with the General since shortly after its organization.

Gains of General of Seattle

The first six months the premiums of the General of Seattle increased 48 percent over the similar period last year, being \$2,535,000 in amount. The assets as of July 1 were \$7,537,000, increase \$595,000, premium reserve \$3,077,000, in-

crease \$407,000, net surplus \$2,284,000, increase \$153,000.

Globe & Rutgers Hopeful

It is stated that the Globe & Rutgers Fire, which is now getting consents from various creditors for its plan of rehabilitation, expects to be in operation about Nov. 1. It is hoped that many of the difficulties will be wiped out by the first of September.

Miscellaneous Company Notes

The **Farmers Mutual** of Baltimore, S. D., organized in 1884, recently celebrated its golden anniversary.

The **Virginia Fire & Marine** has reinsured all its Minnesota business in the Providence Washington, with which it is affiliated in its western department.

rapher in the old western department of the Continental Fire in Chicago, where he received his first insurance experience.

Mr. Axman was 86 years of age. He was born in New York City but lived most of his life in Chicago. He was a Civil War veteran and was present at the

great Chicago fire of 1871. The father Axman told interesting stories of his experiences at that time. He was a devotee of the theatre and attended it every day up until three weeks ago when he was taken ill. That was the first time he had a doctor. Six children survive.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

INLAND MARINE BOOK

The McGraw-Hill Book Company has issued "Inland Marine Insurance" by Attorney Earl Appleman of the New York bar. It is one of the McGraw-Hill insurance series and sells for \$2.50. It analyzes and interprets clause by clause the various inland marine policies relying principally on the decisions relating to similar stipulations in marine, fire and casualty policies. The book cites more than 600 legal decisions. It tells about the various forms of transportation policies, clauses and floater policies. It deals with bailee, legal liability and special risk policies. The book is sold by THE NATIONAL UNDERWRITER.

MARINE DEPARTMENT IS OPENED

G. P. Bartenfeld and H. S. Greene, proprietors of the G. P. Bartenfeld agency at 26 Platt street, Manhattan, and 189 Montague street, Brooklyn, have established a marine department which rounds out facilities for handling all classes of business to brokers. C. E. Riker, formerly marine underwriter of the North America group, is in charge of the department. The agency is a year old.

JENNIE SUE DANIEL ON VACATION

Mrs. Jennie Sue Daniel, editor of the "American Agency Bulletin," is spending her vacation with a sister at Highlands in the mountains of western North Carolina.

J. A. KELSEY WEDS

J. A. Kelsey, United States general agent of the Tokio Marine & Fire, and Miss Helen E. Booth of Harford, Pa., were married at the Park Avenue Presbyterian Church in New York.

LIMITATION ON COURTESY POLICIES

Limitation on writing courtesy policies in territory of the New York Fire Insurance Exchange to not more than 25 percent in new agencies and to the average percentage of the first seven months of this year in agencies already appointed, was voted in a resolution at a special meeting of the exchange. The resolution set forth that the issuance of an unduly large percentage of the so-called courtesy policies by any agency is in effect violation of the spirit if not the letter of certain provisions of the exchange agreement, that the exchange, while not expressing final opinion on the matter, desires that the practice be limited until all aspects can be thoroughly studied and that this limitation extend to Oct. 10, when the regular meeting will be held and the matter further considered. The resolution states that no agency appointment shall be made in any agency if more than 25 percent of the premiums written is or will be reinsurance with companies not represented in the agency, and no existing agency shall increase its percentage of reinsurance policies with companies not represented beyond 25 percent or beyond the average per-

centage of such policies issued by it in the period Jan. 1-July 25, inclusive, whichever may be the larger percentage. Manager H. M. Hess of the exchange said that examination of books of 31 agency members for a three-month period showed 15 whose business from reinsurance sources exceeds 25 percent. Total premium income of the 15 for the period was approximately \$150,000, indicating an approximate premium income of \$600,000 for the year. The average of courtesy policies issued by the 15 agencies was 60 percent of their total writings, indicating a total of about \$360,000 courtesy policies. Total premium volume in the metropolitan area for the year was approximately \$30,000,000. It was emphasized that not all reinsurance policies are courtesy policies alone, although most of them are. Sentiment was strongly in favor of curbing the issuance of these policies. C. F. Shallercross, United States manager North British, was author of the proposal finally adopted.

JOHNSON & HIGGINS' SURVEY

At the annual meeting of the Furniture Warehouse Men's Association it was announced that Johnson & Higgins, New York brokers, have offered to make a survey of fire resistive furniture warehouses to see what can be done towards securing lower insurance rates. Johnson & Higgins require that a sufficient number of members agree to appoint the firm as broker, that being the only compensation demanded. It was decided to submit the proposal to the directors.

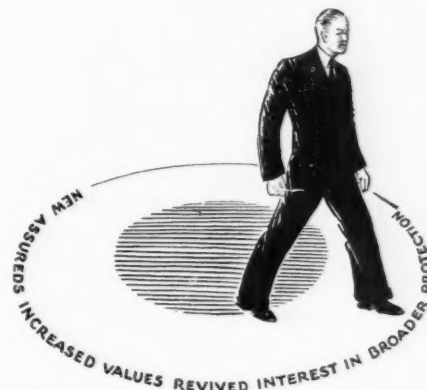
The building committee had sent out a questionnaire and stated that the figures indicated that there was a good chance of getting lower rates. There was considerable discussion concerning automobile insurance for members. The plan that seemed to receive the most attention provided for the combination of special groups with annual premiums of about \$100,000 and lining up with some well known mutual. The committee will continue its study and will sound out the members as to how they would favor the mutual plan.

SCHREINER SAILS FOR EUROPE

Carl Schreiner, president of the Pilot Reinsurance of New York, will sail for Europe Aug. 4 on a visit to the head office of the Munich Reinsurance of Germany, of which he was formerly United States manager and is now a director. He will probably be away six weeks or more.

CLARENCE AXMAN BEREAVED

Philip D. Axman of Chicago, father of Editor **Clarence Axman** of the "Eastern Underwriter," died last week at his home in that city, the funeral services being held Friday. He was formerly a resident of Port Huron, Mich., where his son was born. There are a number of children living. Clarence Axman was formerly a stenog-



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NEW YORK CITY

NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

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FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY

INCORPORATED 1799

PROVIDENCE WASHINGTON INSURANCE CO.

of Providence, R. I.

Capital \$3,000,000

INCORPORATED 1923

ANCHOR INSURANCE CO.

Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

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*Each of these Companies writes the following classes of Insurance***FIRE—TORNADO—OCEAN and INLAND MARINE
AND THEIR ALLIED LINES****AUTOMOBILE—FIRE, THEFT and COLLISION****COMBINED POLICIES****AUTOMOBILE—FULL COVERAGE****GOLFERS' EQUIPMENT and LIABILITY****WITH****MARYLAND CASUALTY CO.**

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**STANDARD
INSURANCE COMPANY
OF NEW YORK****Head Office: 80 John Street, New York**

J. A. KELSEY, President

C. L. HENRY, Secretary

G. Z. DAY, Vice-President

Statement December 31, 1933

CAPITAL	\$1,500,000.00
PREMIUM RESERVE	1,226,193.71
OTHER LIABILITIES	221,955.00
CONTINGENCY RESERVE	479,739.13
NET SURPLUS	2,204,808.07
TOTAL ASSETS	5,632,695.91

Chicago Branch: 175 West Jackson Blvd.**Alfred J. Couch****Manager Brokerage and Cook County Depts.****AS SEEN FROM CHICAGO****CHECK UP ON CLAIMS**

The Illinois department of insurance has recently been called upon to inquire into the activities of several agents who have been presenting a multiplicity of small claims against companies for which they have been licensed. Investigation by the department has resulted in the cancellation of all licenses held by two agents. Others are still under investigation.

It was found that these agents, often without the knowledge of their assureds, would present claim papers to the company to which the names of both assured and claimant would be forged. In most cases the claim was made in the name of an entirely fictitious person and checks given in settlement were forged with the fictitious name.

The evidence obtained by the department in the two completed cases has been turned over to the proper authorities so that criminal prosecution may be had.

* * *

ALLAN WOLFF'S PLANS

President Allan I. Wolff of the National Association of Insurance Agents expects to be present at the annual meeting of the Pennsylvania association at Pocono Manor, Sept. 6-7. He will probably not go to any other state meetings. He has promised the South Bend, Ind., local agents that he will drive over from Chicago and meet with the members some day. In that event it is planned to invite the local agents from adjacent cities.

* * *

EMULATES FRANK BUCK

S. M. Buck of Chicago, western manager of the Fireman's Fund fleet, who has been at Lake of the Woods in Canada on a fishing trip since July 5, returned home this week with some wondrous recitals of his exploits along piscatorial lines.

* * *

B. T. WOLLAM BEREAVED

B. T. Wollam, associate manager in the Cook County department of the Phoenix of Hartford, is bereaved by the death of his mother, Mrs. Lillie T. Wollam of Oak Park, Ill., who was 76 years of age. Mr. Wollam, who is unmarried, had lived with his mother his entire life. Mrs. Wollam died on Sunday after an illness of several months. Funeral services were held Tuesday of this week. A son-in-law of Mrs. Wollam is Clark N. Hunt, Cook county special agent for the Great American.

* * *

AMENDING 1933 TAX RETURNS

Instructions have been sent to companies by the Western Actuarial Bureau to file amended net receipts tax returns in Cook county, Ill., including only fire, inland navigation, marine and automobile premiums and making full deduction for expenses. The 1933 assessments were levied on premiums of all classes written by the fire companies. Those assessments had been made and put on the insurance book at the assessor's office before the United States Supreme Court handed down its decision in the Concordia case, in which it was held that those lines written by fire companies which are also written by casualty companies are not subject to the tax. Complaints are being filed before the board of appeals in behalf of all of the fire companies together with the amended returns on a limited basis. Those who are in touch with the situation do not anticipate any difficulty in having the amended returns approved, in view of the United States Supreme Court decision.

Just recently the circuit court of Cook county entered judgment in the litigation surrounding the 1931 net receipts taxes of several companies. Before the Concordia decision was handed down, the circuit court had entered tentative

judgment on the basis of including premiums on all lines, but allowing full deduction for expenses. Following the decision in the Concordia case, those judgments were amended so as to include only the premiums on fire, inland navigation, marine and automobile fire lines, with full expenses deducted.

* * *

WAREHOUSE RATES REDUCED

The directors of the Chicago Board have approved a new classification for fireproof household furniture warehouses, under which the rates are reduced. There is a material reduction in rates on the buildings and a slight decrease on the furniture.

* * *

HAIL PREMIUMS AWAY DOWN

Premiums on hail insurance for growing crops will be considerably less than last year. The year 1933 presented a new low level for hail premiums due to low grain prices. This year drought and other discouraging crop conditions have materially reduced values. In some sections where a goodly amount of hail premiums could always be counted on there is almost nothing this year due to dry weather. Usually in a dry season hail losses have been light. There were some sharp storms in Kentucky involving tobacco. Storms elsewhere have caused some damage. The states hardest hit are Nebraska, Iowa, the Dakotas, Minnesota and Montana.

* * *

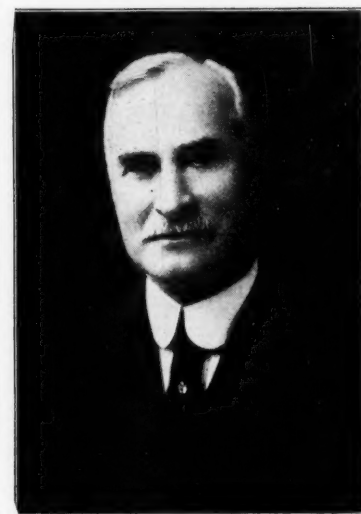
R. D. HOBBS RECUPERATING

R. D. Hobbs of Chicago, assistant manager of the Western Actuarial Bureau, is now recuperating from an appendicitis operation. He went through the ordeal very successfully.

* * *

SCHOEN BACK AT WORK

E. M. Schoen of Chicago, western manager of the Atlas Assurance, who underwent a severe operation a few weeks ago, is now able to be at his office for an hour or so each day.

Hats Off**THOMAS E. GALLAGHER**

Thomas E. Gallagher, Union League Club, Chicago, former western manager Aetna, Irishman rhapsodical, grandfather de luxe, great grandfather in state of perennial activity, official spokesman for Casey, Hennessey and Pat, celebrated his 86th birthday anniversary Tuesday with militant fanfare and many heroics. Old Erin's harp was taken from the wall and the shamrock was worn by all grandfathers, be they Dutch, Scandinavian or Turk.

New Rules Are Promulgated

It is expected that some changes in rates and forms promulgated by the Illinois Inspection Bureau will be followed in other states after they have been tried out. The Western Actuarial Bureau has approved them. The tornado credits for wind resistive construction and fire-proof buildings have been increased and are applied at once in Illinois and Iowa. The co-insurance credit on such buildings has ranged from 60 percent for the 50 percent clause, 65 for the 70 percent clause and 70 percent for the 80 percent clause. The new credit is 72 percent for the 50 percent clause, increasing by 2 percent for each 5 percent increase in co-insurance. Credits for rental value forms in fire-proof buildings have also been revised to conform with the co-insurance credits on wind resistive buildings.

Reporting Form A Is Revised

The single state specific rate at each location under reporting form A monthly average has been revised to eliminate the requirement that assured using this form must have two locations in two different states. Now two plants at separate locations in the same place may be covered but the second item in the same place must be at least 10 percent of the total. This rule is made effective in Illinois, Indiana and Wisconsin. The single state average rate reporting form No. 1 monthly average has been revised to add alcoholic spirits to stocks permitted.

Supplemental coverage against smoke damage has been permitted only on dwellings, but this has been changed now to permit to be written on all classes. A further rule provides that mining properties can now be written on the term plan.

A rule provides that no additional pre-

mium should be charged and no return premium allowed on account of removal of insured property nor on account of any change in the established rate when the additional or return premium does not exceed 50 cents. In no event is the rate for fire coverage to be less than 4 cents. A permit to work overtime or all night is now granted without extra charge. Oil risks can be written on the reporting form with premium adjustment, adjustment on refineries, field storage tanks and terminal stations, on oil distributing stations or compounding plants when written in the same policy covering on the refining property, field storage tanks or terminal stations. Crude petroleum and its products in distributing stations can be written at 70 cents provided the station is not situated on the premises of the oil refinery and furthermore no manufacturing or processing except pumping is done by power machinery.

Special Interest in New Rule

Agents will be particularly interested in the approval of the merchandise and fixture form with provisional amount of insurance for general use. It was approved over a year ago by the Western Underwriters Association and the Western Insurance Bureau but was not adopted for general use outside of Chicago. Now that it is available in the outside territory its use will soon be extended. Manager Glidden of the Chicago Board devised the form. It has been liberalized in some respects. Previously the assured at the start of the policy paid the full premium on the maximum liability subject to adjustment. The initial premium is now gotten by applying the rate to 75 percent of the limit of liability.

Walter Meiss Now General Agent of London Group

NEW YORK, Aug. 1.—While continuing as manager of the automobile department of the London Assurance, Manhattan F. & M. and Union of Paris, Walter Meiss, in his new capacity as general agent, will take general executive duties involving particularly business production.

Mr. Meiss joined the London Assurance in 1919 and organized the automobile division of that company. Formerly he was connected with the North America.

Active in Many Capacities

He has been prominent for several years in automobile underwriting circles. He is a member of the eastern advisory council of the National Automobile Underwriters Association, and is vice-president of the Automobile Underwriters Club of New York. He was champion of the comprehensive policy. In cooperation with the company's attorneys, Mr. Meiss drafted the automobile cancellation notice form now favored by many offices, utilizing postoffice receipts instead of registered mail. He has been aggressive in seeking to recapture for local agents automobile risks written through national financing concerns.

General Exchange Man Killed

H. S. Bourgoin of Dallas, special agent for the General Exchange, was killed in an automobile accident at Valier, Mont. He had been connected with the General Exchange since 1929. He was 35 years of age.

POSITION WANTED

As Special Agent or doing any kind of field work. Experience: three years with fire insurance rating bureau; four years with state insurance department; also agency work. Address Y-80, The National Underwriter.

Plans for Educational Display at Convention

GRAND RAPIDS, Aug. 1.—The local convention committee of the National Association of Insurance Agents in arranging an educational exhibition for insurance companies and equipment manufacturers at the Hotel Pantlind have the support of the National Bureau of Casualty & Surety Underwriters, the fire prevention department of the Western Actuarial Bureau and the National Safety Council. Several companies and manufacturers have at this time made space arrangements for the big convention beginning Sept. 17.

The educational program will include all of the late developments of the National fire prevention and safety organizations beautifully arranged in an open spaceway, with unobstructed view of the entire setting from any spot on the floor. Low divisional partitions will be used and with insurance company locations interspersed among the equipment manufacturers spaces, branching from wide central-exhibit arrangement, with 25-foot communicating aisles, will allow a pleasant contact opportunity between company representatives and delegates without congestion.

Michigan Field Meeting

The August meeting of the Michigan Fire Underwriters Association will be omitted and the September session will convene in Grand Rapids on Sept. 18, the opening day of the National Association of Insurance Agents convention, according to President W. H. Gabriel, National of Connecticut.

Marsh & McLennan Names Long

MINNEAPOLIS, Aug. 1.—Clare I. Long has been named resident vice-president of Marsh & McLennan, in Minneapolis. He was the founder and president of the Long-Denny agency.

Now is the time to PLAN

A year or two ago perhaps you thought, "What's the use of trying to sell people who are broke, or nearly so, who are discouraged, who lack confidence in the future?" But that time is no more. This fall, we hazard to prophesy, will see more prosperity, more normalcy, more Americans moving cheerfully ahead with fine confidence in a soundly progressing and infinitely wiser America. So now is the time to plan just how you will do your share by protecting them with sound insurance.

To help you do this we have published several little booklets on selling insurance and on local agency management. Not vast texts taking hours to read nor just a few mere surface-skimming paragraphs, they contain practical, workable ideas for increasing the efficiency and the income of your agency. There are seven of these booklets. Here are their titles:

Credit and Collections
Facts About a Thousand Insurance Agencies
Fire Prevention and the Insurance Agent
Mail Advertising for Local Agents
Proper Records
Prospect and Mailing Lists
The Insurance Survey, A Selling Tool

Send for those that interest you. They are free, and writing us for them creates not the slightest obligation on your part.

The
LONDON ASSURANCE
 The
MANHATTAN
Fire and Marine Insurance Company
 The
UNION FIRE,
Accident and General Insurance Company

99 JOHN STREET

NEW YORK

BACON, WHIPPLE & CO.

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Insurance and Bank Stocks

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Production Possibilities Overlooked

Riot, strike and civil commotion insurance is somewhat like the windstorm item in that the market is most brisk when an object lesson is at hand. It is an old axiom of fire insurance men that windstorm losses in a town can be paid by new premiums from those across the tracks whose properties were not damaged. In recent weeks and months there has been a good business in riot, strike and civil commotion insurance, but, by and large, only in those places where there was a labor flare-up, such as TOLEDO, MINNEAPOLIS, DETROIT and later SAN FRANCISCO and other coast cities.

Upon reflection, it is strange that people are permanently impressed with the hazard of fire, but recognize only sporadically that they may suffer a loss because of windstorm or disturbances accompanying strikes. A man may not see a fire from one year to the next and yet he does not drop his fire insurance because his neighbor's house hasn't burned recently. The agent doesn't have to produce pictures of burning buildings to prove that such things can happen and that it will be good for the prospect to have some of his insurance. Yet, the production departments of all the companies have files of pictures showing that winds do blow and rioters do throw bricks.

Whatever the reason may be for this difference in the insurance buying habits of the public, it seems to us that the agents could capitalize a good deal more than they

have on the labor disorders that have occurred. It didn't take salesmanship in SAN FRANCISCO to sell riot and civil commotion insurance, as buyers flocked into insurance offices of their own accord to get it if they could. Very often, when a demand arises for such insurance in a town when a strike is in progress there, treble rates are quoted.

It seems to us that agents in other towns could capitalize to a greater extent on such disorders as occurred in SAN FRANCISCO. It was the principal topic of conversation the country over and the agents should have had little difficulty in gaining an entree to discuss the subject. There is the general impression that labor troubles are destined to develop here and there throughout the country. The agent has a powerful sales argument in pointing out the advisability of buying insurance now at the normal rate, instead of waiting until the neighbor's house is on fire and paying treble rates or not being able to get insurance at all. Furthermore, when business is once on the books it should be worth the agent's trouble to make an effort to keep it on. Much of the riot and civil commotion business that is placed goes off the books at the end of 90 days. Probably little effort is made by the agent to induce the assured to keep this coverage. This being mid-summer, the agent should have time to make a special campaign. The situation offers an invitation and challenge to real salesmen.

All Time Usefully Employed

THE person who has his waking hours occupied in useful pursuits is not in danger of getting into trouble. He is busily engaged, interested in what he is doing, has his mind set on his task and therefore there is not much likelihood of such a one being lured by the siren's song. A person

who is employing his hours in a useful and constructive manner has his thoughts well centered on the task before him. He is traveling along a straight and narrow road, and is entirely satisfied with the thrill and the satisfaction that he gets from trying to achieve.

First Steps Are Necessary

WE are prone to think we can reach our goal by using seven league boots rather than to travel a step at a time. The distance must be traveled systematically. There is no way of covering the course by artificial flight. We set out to go 150 miles. There

is no method whereby we can end the journey without traversing the first few miles. We must be content therefore to travel the course naturally and to go the whole distance. The first steps are as necessary as the last ones.

PERSONAL SIDE OF BUSINESS

The lure of Alaska having attracted H. V. Smith, vice-president of the Home fleet and president of the Eastern Underwriters Association, he left for a six weeks trip through the territory some days ago, Mrs. Smith and the family accompanying him.

In honor of the 77th birthday of C. F. Ladner, chairman of the Hardware Mutual Fire of Minneapolis, agents turned in \$109,000 in new business, nearly double the quota set for June, a new all-time record for the Minneapolis, eastern and Pacific departments. At an informal gathering at his office, G. M. Bleecker, attorney who drew up the corporation papers for the company 35 years ago, and J. F. Main, the company's first adjuster, were among the honored guests.

W. S. Lemmon, statistical department North British group, died at the home of his son in St. Louis. He was widely known in fire insurance as joint author with the late A. E. Larter of the "L. & L. Rating System" sponsored by a committee of eastern company executives 20 years ago and considered by some the best system of fire rating devised. It never came into general use. Mr. Lemmon was born Aug. 20, 1860, starting early in insurance. After many years of statistical and analytical work he joined the North British fleet in 1919. Two years ago he was forced by ill health to retire.

W. R. Townley of Chicago, treasurer of the Underwriters Salvage Company, has returned from a trip abroad and is now regaling his friends with observations that he made along the way.

J. L. Gravely, well known local agent of Danville, Va., has come out for the United States Senate in opposition to Senator Harry F. Byrd, who is a candidate for reelection.

E. A. Henne of Chicago, western manager of the America Fore, leaves this week for a vacation trip to Jasper National Park in the Canadian Rockies. From there he will go to Vancouver and return through some of the sightseeing country on the way east.

L. C. Bronson, 62, of the Frates Company, Tulsa, Okla., died from heat prostration in a Tulsa hospital. He had been assistant cashier of the Merchants National Bank of Topeka, Kan., and private secretary to the general manager of the Santa Fe Railroad before going to Oklahoma. He conducted a farm loan business at Guthrie, Okla., for several years, later entering the insurance business in Kansas City and then joining the T. E. Braniff Company of Oklahoma City. He went to Tulsa 15 years ago to take charge of the Braniff office there, later becoming secretary of the Dickey-Ashby-Fountain Company, and joined the Frates Company in 1931.

W. W. Parsons, president of the Atlantic Mutual of New York, the well known marine company, died unexpectedly at his home in Great Neck, L. I., on Sunday. Funeral services were held on Tuesday. Mr. Parsons was 60 years of age. He had been at his desk the day before his death. Vice-president J. Arthur Bogardus was in New York at the time, but Vice-president W. D. Winter was on a vacation trip in the Canadian Rockies.

Mr. Parsons was educated in St. Paul's school, Concord, N. H., and Trinity college, Hartford, Conn. His first business connection was with Mather & Co., the New York City marine firm, about 1899. He remained in that connection for about 10 years and in 1909 joined the Atlantic Mutual as assistant to the then president Raven.

Two years later he was appointed second vice-president and in 1915 became vice-president. He was elected to the presidency in 1930. He was formerly chairman of the American Marine Insurance Syndicates, was a director of the American Institute of Marine Underwriters, of the United States Salvage Association and of the Board of Underwriters of New York. He was at one time vice-president of the American Bureau of Shipping. He also served on the insurance committee of the Chamber of Commerce of New York.

William A. Scanlon, associate manager of THE NATIONAL UNDERWRITER, will be married in Chicago

Aug. 4 to Miss Helen F. Byrne, an instructor in music in Austin high school, Chicago.

Mr. Scanlon has been with THE NATIONAL UNDERWRITER for nearly 20 years. At the present time he is its business representative in Illinois, Indiana, Missouri, Kansas and Tennessee, although he is known to insurance men throughout the country, having at one time been stationed in New York, another time at Dallas, etc. In addition to his duties with the business department of THE NATIONAL UNDERWRITER, Mr. Scanlon frequently represents the paper in an editorial capacity, reporting conventions and writing special articles.

Frank B. Dole, 90, last survivor of the original board of directors and organizers of the Boston, died at his home in Princeton, Mass. Until three years ago he had been a constant attendant at directors' meetings.

George J. Jones, 50, of Portland, Ore., special agent of the Liverpool & London & Globe for the past 27 years, died from a heart attack on a golf course there.

C. G. Wonn, Illinois special agent of the Northern Assurance, is making a good recovery at the Mayo clinic in Rochester, Minn., where he underwent an operation. He is expected to return to Chicago in about a week, but he will probably not be back on the job for some time.

N. B. Thorp, 65, who had conducted a local agency in Columbus, O., since 1906, died from the heat, having been stricken in the street in front of his office.

George W. Warren, 62, vice-president and treasurer of the Davenport Insurance Corporation of Richmond, Va., and long prominent in local agency circles in that city, died suddenly in his office from a heart attack. He had been associated with the Davenport agency since 1902.

J. H. McNish of East Orange, N. J., who retired last month as New Jersey deputy commissioner, plans to sail this month for a stay in his native land, Scotland.

H. J. Zechlin, secretary of the Niagara Fire and manager of its New York City branch, left for a two weeks' vacation trip July 28. After visiting Nova Scotia and traveling up the picturesque Saguenay river, he will turn south to Bermuda, thence to New York. Mr. Zechlin has an inborn love of the water.



W. A. SCANLON

**NOW IS THE TIME!
SELL RIOT AND CIVIL
COMMOTION INSURANCE**

PROVED BY THE ACID TEST OF TIME

The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY
ERNEST STURM, Chairman of the Board
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK CHICAGO SAN FRANCISCO ATLANTA DALLAS MONTREAL

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Urge Support by All Agents

Secretaries of Ohio City and County Associations Adopt Resolution in Magnetic Spring Meet

So highly successful that it was voted to make such a meeting a semi-annual event, with an additional special session at the state convention of the organization, was the first mid-summer conference of secretaries of city and county associations, held under auspices of the Ohio Association of Insurance Agents at Magnetic Spring, O.

Taking part in the program were H. L. Meek, Columbus, president Ohio association; F. P. O'Connor, Lima, vice-president; W. N. Robbins, secretary Lorain county association; Miss Mary Bogart, secretary Tiffin association; N. W. Reed, secretary Toledo association; J. F. Schweer, secretary Cincinnati Fire Underwriters Association; G. E. McNab, Jr., secretary Youngstown association, and Secretary J. A. Lloyd, of the state association.

The secretaries present adopted a resolution which noted that the "agency business is confronting problems so serious as to affect the very life of the business," and calling upon all agents in Ohio to affiliate with local, state and National associations.

"In those counties of the state which are yet to be organized, we strongly urge all local agents to cooperate in the formation of county associations. The Ohio association is working as rapidly as possible in developing these county units, and we urge every agent to assist in this work," the resolution stated.

Agents of Illinois to Have Brief Annual Meet Sept. 17

The annual meeting of the Illinois Association of Insurance Agents will be held in Chicago, probably in the Chicago Board auditorium, Monday, Sept. 17. This will be a brief meeting and will be confined to election of officers and the handling of routine business. That is the week of the annual meeting of the National Association of Insurance Agents in Grand Rapids, Mich., and the leaders in the Illinois association will attempt to bring out a large attendance at the Illinois meeting and have the crowd proceed from Chicago to Grand Rapids for the big convention.

Attitude of Kansas Agents on Separation Program

TOPEKA, Aug. 1.—The Kansas Association of Insurance Agents, through its executive committee, is taking an interest in the present program of separation in the state, which is directed particularly at the clearance of mutual companies from agencies. Although the Kansas agents' association for some time has had a provision in its by-laws barring from membership any agent who represents a mutual company, this provision has never been enforced. The Kansas agents apparently are not willing aggressively to aid in the separation program, but the executive committee will not oppose that activity and may give a hand here and there.

A number of the Kansas mutuals have been lodged in agencies in that state for a good many years, many of them having started purely as farm writing companies, later branching out into the city field. Their presence has never been protested by the organization field men.

In the last year or two, a number of important mutuals from outside the state have been campaigning in Kansas and they have not only made inroads but they have spurred some of the Kansas mutuals to increased agency activity. Therefore the present program has been conceived in an attempt to check further mutual expansion through the Kansas agency force and gradually to eliminate as many existing mutual plants as possible. The field men will probably begin to press the campaign early in the fall.

Many Ohio Meetings Planned

Sponsored by the Ohio Association of Insurance Agents, a number of meetings have been arranged by Secretary John A. Lloyd. Agents of Muskingum county will meet in Zanesville Aug. 3. Next Wednesday the newly-formed Jackson county association will meet at Wellston. Ashland county agents will meet at Ashland at noon Aug. 10 and Wayne county agents at Wooster in the evening to discuss plans for organizing local associations. Agents will meet at Steubenville Aug. 15 to make their temporary organization permanent.

Secretary Lloyd will address the agents at Hamilton Aug. 13.

Cleveland Society Is Active

CLEVELAND, Aug. 1.—After three years of semi-dormancy, the Insurance Society of Cleveland is planning an active year. Beginning in mid-October and running to June, it will offer first year fire, marine, casualty and surety courses of the Insurance Institute. Next year it is planned to give both first and second year courses and the following season, the first, second and third.

Howard E. Mankin, marine special agent Commercial Union, is president and head of the educational committee. H. H. Howarth, Jr., North America, will have charge of the marine course and D. E. Herren, vice-president of Evarts-Tremaine-Flicker Co., the fire course. Casualty and surety appointments will be made soon.

The Insurance Board of Cleveland is backing the move.

Freak Twister Brings Claims

INDIANAPOLIS, Aug. 1.—Adjusting offices here are busy with tornado loss claims as result of a small freak twister which hit Speedway City, just west of Indianapolis. Between 600 and 700 losses have been already reported for amounts ranging from a few dollars up to \$1,000. Many persons saw the funnel-shaped cloud, which apparently dipped to earth only in this restricted area.

H. A. Welch in New Post

H. A. Welch, who was formerly manager of the Travelers Fire for Minneapolis and the Dakotas, with headquarters in Minneapolis, has been appointed manager of the newly organized insurance department of Burritt Brothers Brokers of Fargo, N. D. The insurance department will be known by the firm name of Burritt-Welch.

Appleton Defers Fund Action

APPLETON, WIS., Aug. 1.—The council has postponed renewal of insurance on city buildings and contents with the state fund for 30 days from July 26. D. P. Steinberg, local agent, pointed out that the suggested insurance under the state plan was entirely out of proportion with the value of several buildings. Action on renewal was consequently deferred until the agents could appraise

city buildings and submit their recommendations and estimates.

In return for the extra time to submit new suggestions and bids, the local agents gave the city a 30-day binder in the amount heretofore carried with the state fund.

Survey Kenosha Schools

KENOSHA, WIS., Aug. 1.—A committee of 15, representing the Kenosha Underwriters' Association, has started a survey of public school buildings. The service will be rendered about every three months to determine whether any fire hazards exist that can be remedied to keep rates at a minimum or possibly entitle the city to a rerating.

Last May a committee of the local board headed by Fred Stemm, president, succeeded in regaining this business for local agents of the stock companies.

North Dakota Mutuals Meet

C. J. Robideau, LaMoure, was re-elected secretary and named delegate to the national convention at the annual meeting of the North Dakota Association.

tion of Farm Mutual Insurance Companies at Harvey, N. D.

Columbus Insurance Society Elects

The Insurance Society of Columbus has elected I. B. Lentz president; H. S. Mesloh, vice-president; Russell M. Knepper, secretary-counsel, and T. J. Macklin, treasurer.

Middle West Notes

The insurance firm of **Wagner & Murphy**, Caledonia, Minn., has been dissolved after eight years in business.

Henry Gassmann, former mayor of Cliney, Ill., and father of **Zean Gassmann**, local agent there, died suddenly.

The **W. R. Beek** agency, Valley Junction, Ia., has purchased the Hadden-Gavin agency.

The **Live Stock National Insurance Agency**, Sioux City, Ia., has been incorporated with A. G. Sam, president; C. L. Fredericksen, vice-president; M. A. Wilson, secretary, and L. W. Ross, treasurer and manager.

G. H. Bensch of the Severn & Bensch agency of Jamestown, N. D., was married there to Miss Anna Proctor. They are on a wedding trip in the east, after which Mr. Bensch will attend the Aetna Casualty school in Hartford.

IN THE SOUTHERN STATES

Approve 5-Day U. & O. Form

Louisiana Commission Acts After Delay of 90 Days Since Filing by Rating Bureaus

NEW ORLEANS, Aug. 1.—A modified use and occupancy policy for insurance against loss of profits from fire under the five-day week permitted by the NRA to many industries was approved by the Louisiana insurance commission at an executive session following the semi-monthly open hearing on forms submitted by the Louisiana Rating & Fire Prevention Bureau for fire companies. President R. M. Pons of the bureau stated in the hearing that inaction of the commission had hampered the ability of the companies to recognize the conditions laid down by the NRA.

In making his request for action without further delay, Mr. Pons read a letter addressed to the commission from Douglas Watson, Louisiana state agent Union of Paris, in which Mr. Watson said:

Watson's Letter Is Read

"The bureau has had before you for consideration for over 90 days the new use and occupancy forms, which were designed to take care of cases of this kind where the assured is permitted under the NRA to work only five days a week, but for some reason you have not seen fit to approve or disapprove of the new form. Your delay in either approving or nonapproving the form is rather embarrassing to the insurance companies as well as to the operators in this territory, because they are not under our present rules able to secure the proper form of coverage."

Rates under the new form are figured on a basis of 1-250 of a yearly premium, instead of 1-365 or 1-300, the latter applying to plants closed Sundays and holidays.

Campaign of Education Conceived

A group of company officials had a meeting under the joint auspices of the North Carolina field men's conference of which Godfrey Cheshire of Raleigh is chairman and the North Carolina Association of Insurance Agents of which McAllister Carson of Charlotte is president. These people went from North Carolina, South Carolina and Virginia, representing stock companies. The

meeting was held at Greensboro and plans were formulated to give to the public accurate information as to the merits and operations of stock companies. It was decided to put out statements showing what these companies and their employees and agents are doing for the people, for the government and for policyholders.

Shift Louisville Railway Line

LOUISVILLE, Aug. 1.—Supervision of the Louisville Railway Co. insurance schedule has been given to the Fidelity & Columbia Insurance Co., subsidiary of the Fidelity & Columbia Trust Co., instead of the Booker & Kinnaird agency, where it had been for about nine years.

Despite rumors to the contrary, there will still be some 40 agents in Louisville who will participate in writing the business. Some agents have been added to the list and some others have been removed. The line itself has been very materially reduced, from approximately \$4,700,000 to \$2,700,000, since it was written five years ago. The company has abandoned many miles of interurban lines, and also disposed of its power house and power transmission equipment.

Kentucky Ripper Bill Upheld

LOUISVILLE, Aug. 1.—The reorganization act of the 1934 legislature taking control of the state insurance departments from the auditor, J. Dan Talbott, and placing them under the governor, was upheld in a decision by Judge Ford, Franklin county circuit court, who held that the act was lacking in comprehension, but in his opinion constitutional. The ruling was on a demurrer filed by the attorney general, which was sustained. Plaintiffs were given to Aug. 7, to file an amended petition, and temporary restraining order, preventing operation of the act in so far as it affects plaintiffs was continued.

Harrison Has Opposition

ATLANTA, Aug. 1.—W. B. Harrison, comptroller general of Georgia and ex-officio insurance commissioner will be opposed for reelection by Madison Bell of Cartersville, formerly of Atlanta. His father was comptroller general in 1875-1878.

The **R. J. Love** agency, Purcell, Okla., has been sold to the Purcell Abstract Company.

LOYALTY GROUP

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ORGANIZED 1855

80 YEARS IN BUSINESS

Surplus to Policyholders, Dec. 31, 1933, \$15,719,163.78

(Securities at Market Value)

Organized 1853

THE GIRARD
FIRE & MARINE INSURANCE CO.
Surplus to Policyholders Dec. 31, 1933
\$2,380,826.52
Securities at Market Value
82 YEARS IN BUSINESS

Organized 1854

THE MECHANICS
INSURANCE COMPANY OF
PHILADELPHIA
Surplus to Policyholders Dec. 31, 1933
\$2,181,651.19
Securities at Market Value
81 YEARS IN BUSINESS

Organized 1866

NATIONAL-BEN FRANKLIN
FIRE INSURANCE CO. OF
PITTSBURGH, PA.
Surplus to Policyholders Dec. 31, 1933
\$2,254,726.35
Securities at Market Value
69 YEARS IN BUSINESS

Organized 1874

THE METROPOLITAN
CASUALTY INSURANCE CO.
OF NEW YORK
Surplus to Policyholders Dec. 31, 1933
\$2,216,188.12
Bonds Amortized—Stocks Market Value
61 YEARS IN BUSINESS

AVERAGE AGE

LOYALTY GROUP COMPANIES

OVER 66 YEARS

GROUP LOSSES PAID

OVER
FOUR HUNDRED MILLION

\$413,592,692.72

A LOSS PAYING RECORD
PROVING SECURITY
AND STABILITY

OUR BUSINESS ASSETS
MERIT CONFIDENCE

THESE ARE

AGE - EXPERIENCE - GOOD FAITH

SUCCESS - PERFORMANCE

SOUND INSURANCE PRINCIPLES

Organized 1852

MILWAUKEE MECHANICS'
INSURANCE COMPANY
Surplus to Policyholders Dec. 31, 1933
\$5,021,440.67
Securities at Market Value
83 YEARS IN BUSINESS

Organized 1871

SUPERIOR
FIRE INSURANCE COMPANY
Surplus to Policyholders Dec. 31, 1933
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Bonds Amortized—Stocks Market Value
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life over which you have passed
and you will smile at the pebbles
in the road which looked like
mountains until you passed them.

—Exchange.

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Good
Agency
Company**

PACIFIC COAST AND MOUNTAIN

Rush for Riot Cover Eases

**Not Many Claims Reported Resulting
from San Francisco Strike—
Policy Writing Incomplete**

SAN FRANCISCO, Aug. 1.—With the return of thousands of striking workers to their regular tasks, there is a general feeling here of better times ahead. For months the atmosphere has been heavy and close, similar to the dark days of the economic depression. But now there is a brighter picture and many offices are going ahead with interrupted plans for development.

For days prior to and during the general strike, there was a rush for strike, riot and civil commotion coverage. The marine companies had been busy with extension of policy provisions for many weeks, from the start of the original strike—that of the longshoremen. Now that conditions are more settled, some of the companies report a little annoyance from some clients who have decided they do not need this provision, although the policies contain a minimum 90-day term. Much of the business was on cover note and although offices employed extra policywriters, the task, at this writing, is still incomplete.

Claims have been few but it is reported that some of these reported losses have produced confusion as to just what constitutes a riot. It is generally believed, however, that wherever it is shown that damage resulted from strike conditions, the claims will be paid promptly.

Confer on Coalition Agreement

OAKLAND, CAL., Aug. 1.—The East Bay Association of Insurance Agents met here today to consider a proposal submitted by the Pacific Board on the coalition agreement. The subject has been before the two organizations for several months and the effective date has been advanced from time to

time to give ample time to a special committee of the board to confer on the agreement with the committee of agents.

Convention Committee Named

SPOKANE, Aug. 1.—A committee named to supervise the convention of the Insurance Agents League of Washington, Aug. 30-31 in Spokane, includes: J. J. O'Brien, chairman; W. L. Berry, W. S. McCrea, C. P. Carroll, T. J. Meenach, L. L. Livingston, Bruce Hay, John Happy and H. T. Anthony. C. F. Liscomb of Duluth, member executive committee National Association of Insurance Agents, will be the principal speaker.

Fire Reports Not Public Records

LOS ANGELES, Aug. 1.—Declaring that preliminary reports of fires made by fire captains to the department are not such public records as are open to general inspection, Superior Judge Wilson denied the petition of R. W. Theobald and other adjusters for a mandamus to compel the board of fire commissioners to allow them to inspect such reports. Judge Wilson held that the reports are not open to examination by the public until the completion of the arson bureaus investigation.

Hillegas With Small Agency

The F. F. Small general agency of Los Angeles has appointed E. N. Hillegas special agent. He was formerly special agent there for Carl N. Corwin.

Puyallup Wins Rerating

Puyallup, Wash., has won its long fight for rerating, started in 1931, and has been notified by the Washington Survey & Rating Bureau that it is now a class 5 city.

C. J. Chastek, well known Seattle local agent, has filed for congress on the Republican ticket.

EASTERN STATES ACTIVITIES

May Appeal to the Officials

**Local Agents Are Likely to Seek the
Assistance of State Insurance
Commissioners**

BOSTON, Aug. 1.—There has been much talk among local agents about appealing to the insurance commissioners in New England to assist them in some of their difficulties as they do not seem to be getting anywhere in their conferences with companies. This attitude has been strengthened following the failure of the companies and agents to get together last winter, leading to the National Association of Insurance Agents filing a code at Washington. Now that the code has been eliminated the agents are not able to see any machinery whereby corrective practices can be brought about.

Commissioner Sullivan's Speech

At the annual meeting of the New England associations at Bretton Woods, Commissioner Sullivan of New Hampshire was very belligerent and caustic. In fact his talk was far more radical than appeared in print. Mr. Sullivan advised the agents to appeal to the commissioners and stated that undoubtedly they would get some assistance in their efforts to bring about protection. He felt that the companies were not doing their duty toward the agents. While the agents realize that Commissioner Sullivan was particularly sharp and pugnacious, at the same time they have concluded that they may be obliged to make some alliance with the commissioners. Commissioner Dunham of Connecticut has attended a number of agency conventions and he is in sympathy with anything of a fair nature the agents desire to bring about. He is regarded as level headed and would be conciliatory in his attitude. A suggestion has been made that at the meeting of the New England advisory board of the state associations to be held in this city Aug. 24, the commissioners be invited to attend and talk over the subject so far as New England is concerned. Whether this request will be acceded to by the advisory board remains to be seen. In any event many of the agents are getting belligerent and want to see something done.

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Would Halt State Employees Acting as Insurance Agents

BALTIMORE, Aug. 1.—A halt on the alleged practice of some state officials and employees acting as insurance agents and influencing the sale of insurance contracts, through the advantage obtained by their political positions, will be called by H. W. Nice, candidate for the Republican gubernatorial nomination, in the event of his election. That promise was made by Mr. Nice in an address before the Life Underwriters Association.

Mr. Nice said: "The 13,000 men and women in this state who gain their livelihood through selling insurance should not be handicapped, impoverished and rendered helpless through the vicious practice of permitting state officials and employees to act as insurance agents and influencing the sale of insurance through the advantage obtained by their several political positions."

"I would consider it my duty to prohibit state employees from obtaining a license to sell, or act as agents, or in any other manner influence the sale of insurance directly or indirectly."

Celebrates 65th Anniversary

JERSEY CITY, Aug. 1.—Woodward & Williamson, the oldest insurance agency in Hudson county, has just rounded out 65 years in the insurance field. It has represented the Liverpool & London & Globe for 63 years. The agency was organized in 1869 by R. W. Woodward and T. P. Sherwood. Present officers are: President, A. W. Marshall; vice-president and treasurer, Louis Muller, who has been with the agency since 1800; secretary, T. E. Bagg.

Field Man Now Local Agent

Lyman D. Bailey, who recently resigned as state agent in New York for the Girard Fire & Marine and Mechanics of Philadelphia, has purchased the agency conducted in Syracuse since 1915 by the late Arthur E. Post. Mr. Bailey will have offices at 315 Dennison building, Syracuse, and will conduct a general fire, life and casualty business.

Face Tax Fight in Wheeling

WHEELING, W. VA., Aug. 1.—Insurance companies operating in Wheeling which are not incorporated under the laws of West Virginia are threatened with suit as a result of the move of the city council to collect a tax of one-half of one percent levied on gross premiums last year. City Clerk Clouse estimated the action would entail more than \$40,000.

The one-half of one percent tax was passed a few months ago and is similar to the city's two percent premium tax passed many years ago and enforced against fire companies but not the life companies. This is the first attempt to enforce the half-percent tax. There is doubt that the proposed tax is valid, although the city of Wheeling apparently believes it is not restrained by the state premium tax statute which was thought to exempt life insurance premiums from any levies beside the state tax. This question will probably have to be decided by the courts.

Municipal premium taxes have been on the books for years in certain southern cities, and in some cases have been collected. The taxes were made possible by the absence of specific provision that the state premium tax is in lieu of all other taxes. Most states have such a provision. The New York City premium tax of one-twentieth of one percent on New York City residents would be barred for this reason had it not been for special emergency legislation by the state.

Virginia Adopts Definition

The Virginia corporation commission has adopted the nationwide definition and interpretation of marine insurance after having the matter under consideration since early in April when a hearing was held. The commission stated that the order was intended to involve construction of existing laws and to facilitate their administration, and that nothing in the order shall be construed to preclude the commission from deciding any case that may be presented to it within the scope of its jurisdiction according to individual merits.

Charles M. Denny & Co., has been organized to take over the Long-Denny Agency, Baker building, Minneapolis. Charles M. Denny, Jr., will head the new company. He was vice-president and treasurer of the old agency.

Mutuals Advised Not to Overemphasize Dividends

An interesting competitive viewpoint is expressed in the "Mutual Review," which is the official publication of the National Association of Mutual Insurance Agents. Mention was made of the recent action of the Ohio Mutuals Insurance Union in reaffirming its stand against the practice of commuting rates. A few years ago the members of the Ohio Mutuals Insurance Union discontinued the practice of commuting rates in Ohio and all of the companies in that association faithfully lived up to that agreement, "feeling they are selling a product as good as any that can be bought on the market, and at a premium that is adequate to guarantee sound protection."

Protection Is Uppermost

The "Mutual Review" warns against basing sales talks on dividends or savings to policyholders and ignoring the question of protection. "Insurance of any character," the article states, "to be sound must be sold at a premium that is adequate, and if through a favorable loss experience, the company is able to return a portion of that premium to the policyholder, that feature should be but

Gets Life Sentence for Selling Fake Policies

PONTIAC, MICH., Aug. 1.—George W. Shaw of Detroit, who was recently convicted of selling automobile insurance policies in non-existent companies to farmers throughout Macomb and Oakland counties, was sentenced to life imprisonment in Jackson state prison. The life sentence is mandatory under Michigan criminal law, since Shaw was convicted of felonies three times previously.

incidental and not the most important function of a mutual insurance company."

Many insurance men feel, the article states, that the practice of commuting rates or in other words giving the assured the benefit of term rates under a term policy payable annually, is just a polite way of rate cutting.

Jesse Duvall, special agent for the Fidelity-Phenix and most loyal gander of the St. Louis Blue Goose, is receiving congratulations over the arrival of a baby girl at the Duvall home.

Michigan Investigating Auto Finance Companies

LANSING, MICH., Aug. 1.—Unusual variations in premiums charged for coverage required by automobile loan companies have been the subject of investigation by the Michigan department. Some of these companies require only fire and theft coverage while others demand collision as well.

There was apparently some ground for suspicion that some concerns were charging "what the traffic would bear" for auto coverage sold to their customers and it was also thought possible that they were not forwarding premiums to the companies represented but were merely establishing a fund of their own from which losses were paid, using company forms as a blind for their operations but actually turning in but little of the business.

The investigation, so far, has failed to disclose definite grounds for the departmental suspicions. Several large stock companies have been accepting most of this business and the preliminary inquiry indicated that the companies were charging rates in accordance with the actual experience of each loan company. This experience appears to have varied

widely and the rates showed a corresponding deviation.

The better class loan company has been found to have a lower loss ratio and lower insurance charges.

Port Huron Offices' Outing

PORT HURON, MICH., Aug. 1.—Approximately 40 company executives and field men of companies represented by the two agencies attended the annual outing and golf tournament sponsored jointly by the Cowan Agency and Wright, Hoyt & Co. F. T. and J. G. Moore and H. A. McMartin, of Wright, Hoyt, and Fred A. Cowan handled arrangements.

R. R. "Bob" Bucknell, assistant secretary, Detroit National Fire, carried off honors for the best score in the golf tournament, turning in a 75. Among the other executives present were L. R. Hanawalt, Chicago, assistant manager western department, National of Hartford and Raymond Waldron, vice-president, Detroit Fire & Marine.

Declares First Dividend

The Occidental of the Fireman's Fund group has declared its initial dividend, which amounts to 30 cents per share. It is payable Aug. 15 to shareholders of record Aug. 4.

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(Continued next page)

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New Auto Manual To Be Out Aug. 6.

(CONTINUED FROM PAGE 1)

Provision is now made for writing several forms of a comprehensive automobile policy.

Fire and theft rates for taxicabs are shown in a separate section.

The manual contains a separate section providing fire and theft rates for custom built and imported cars.

All endorsements have been incorporated in a separate section known as the "endorsement section."

For fire, theft and collision rating purposes, commercial cars are now divided into four classes.

A limitation of use endorsement applies to all risks coming under the classifications of local hauling. Truck type tractors, trailers and semi-trailers are now classified as commercial cars.

Towing coverage has been withdrawn, and the towing and road service expense coverage is now the only form authorized and applies only to private passenger automobiles.

Special combined additional coverage endorsement now applies only to private passenger cars.

Separate coverage may now be granted for riot, riot attending a strike, insurrection and civil commotion for all types of motor vehicles except private passenger cars but including private passenger cars written under a fleet schedule.

Monthly Reduction Clauses

Optional use of the monthly reduction and automatic reduction clauses and the 2½ percent monthly reduction clause have been eliminated. In lieu thereof, a 2 percent monthly reduction clause has been provided.

Trucks, truck type tractors, trailer and semi-trailers engaged in the transportation of gasoline are subject to an additional fire rate charge.

Changes have been made in the territorial application of rate schedules and also in territorial definitions. This manual has been prepared in sections such as rule, rate and endorsement sections so that special arrangements thereof can be collated as the company or agent may desire. The sheets are cut in the same size and with the same punching as the manual published by the National Bureau of Casualty & Surety Underwriters showing bodily injury and property damage rates and may be assembled therewith as companies or agents may wish. The introduction of a loose-leaf publication makes possible greater flexibility in keeping the manual up to date and reprints will be issued as occasion may demand.

In addition to the standard manuals arrangements have been made whereby companies which wish to do so may procure abridged publications in the following forms: Simplified rate and premium pamphlet—showing rates and premiums in abbreviated form for all territories, with or without public liability and property damage premiums; abridged premium pamphlet for passenger cars only, showing public liability, property damage and comprehensive premiums, both with and without collision coverage; these pamphlets to be available according to territorial requirements; abridged rate and premium pamphlet showing public liability, property damage and collision premiums and rates only for fire, theft and tornado. These also will be available according to territorial requirements.

Through conditions largely beyond the association's control, the issuance of the 1934 manual has been delayed for a number of weeks but it is felt by the management that the new book will prove its worth and convenience.

Arkansas Agent Dies

J. C. Burris, 46, well known agent, died at his home in Helena, Ark. Mr. Burris had resided in West Helena 24 years. He is survived by his wife, a son, J. C., Jr., and three sisters.



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Upper Peninsula Men Hold Parley

(CONTINUED FROM PAGE 3)

versally applied by the finance company. It varies from branch to branch.

Recently, he said, his agency wrote a policy on a financed car, where a local bank was the mortgagee. The financing transaction, however, did not go through and a regular financing company entered the picture. Mr. Thatcher caused the automobile dealer to write to the finance company, requesting that the policy written through the Thatcher agency be permitted to stand. The Thatcher agency offered to send the policy to the finance company with a receipt marked "paid." This proposition was turned down by the finance company.

Aggregate Loss Is Large

Mr. Thatcher said the local agents are inclined not to put up a strenuous fight for this business, because the individual line is small. However, in the aggregate a local agent during the period of a year loses much business in this way to which he is rightfully entitled. He urged the agent to win the local dealers to their side of the question and make a strong bid for the business.

Mr. Nelson of Iron River said he had taken the question up with the Universal Credit Corporation, which financed Ford automobiles. They said they had had much trouble when the insurance was placed through local agents. Losses, they contended, could not be adjusted satisfactorily, because the assured would fail to sign when he saw that the major portion of the payment was going to the finance company.

Who Gets Commission?

Mr. Old suggested the possibility of the agents making an effort to get some of the commission on this business. Guy M. Cox of Iron River wanted to know who gets the commission now. Mr. Old said he didn't know. Mr. Thatcher said the automobile dealer doesn't get it.

Mr. Old advised the agents in the various communities to do some cooperative advertising in attempting to retrieve this business. An attempt should be made to cause this to be a competitive feature in the automobile field.

Following this discussion, Mr. Old opened the question of compensation insurance. Mr. Redmond inquired of Mr. Wade as to the closeness of the supervision of the state accident fund by the insurance department. Mr. Wade replied that representatives of the department attend all board meetings of the fund. At the last session of the legislature, supervision of the fund was turned over to the insurance department and he expressed the belief that the fund is showing progress. At first the fund was competing with local agents on a cut rate basis and rates were made without regard to experience. Now, however, manual rates are charged.

Doesn't Publish Statement

In answer to another question of Mr. Redmond, he said the state fund does not publish a statement. It does not come under the insurance law so far as requiring a statement is concerned. The department keeps close watch of the fund, however, by attending meetings of the executive committee every month and board meetings every quarter. The fund is impaired but it has shown marked progress since a sound rating basis was adopted and the number of risks written has increased. He said that 300 new risks were written this month. Business is being obtained through the cooperation of agents. Acquisition and operating costs are lower. The fund is a semi-state institution. The state does not assume financial responsibility for the fund, but Mr. Wade expressed the belief that the state is duty bound to see that it comes through with flying colors. The various departments of the state insure in the fund on a cost plus basis.

G. A. Curry of Ironwood inquired whether the fund paid commissions on renewals. Mr. Wade replied that the fund pays 10 percent commissions on the first year and upon renewal, except where the business has been with the state fund and an agent tries to become an agent of record upon renewal. Under those circumstances, commission is not paid. The question was asked whether the fund is paying its medical bills promptly. Mr. Wade replied that they are taking care of current bills, but the fund has reason to complain of the size of the medical bills.

Views of F. J. Ney

Mr. Old called upon F. J. Ney of the Fred L. Gray Company of Minneapolis for some observations on compensation insurance. Mr. Ney is an authority on this subject. He outlined briefly the new compensation rating plan, which was presented at the meeting of the National Convention of Insurance Commissioners in Chicago recently. That plan, if accepted, he said, has promise of improving the compensation business. He expressed the belief that the companies would be willing to contribute to the passage of laws in the various states to create compulsory state funds, as a means of retiring gracefully from the compensation business. The agents, however, are eager to see the companies get a rate which will permit them to stay in the business. In Wisconsin and Minnesota he said there is a rejected risk plan, for taking care of risks which cannot get insurance elsewhere. In Michigan he said the state fund may serve the same purpose.

Mr. Old expressed the belief that not all risks written in the state fund are poor ones.

HOLC Insurance Angles

Mr. Redmond brought up the question of the Home Owners Loan Corporation and its insurance operations. Complaints are heard frequently as to the delay when loss drafts are made payable jointly to the assured and to the HOLC. Drafts for losses under \$200 must be made payable jointly and the check must go to Washington to be endorsed. Then the draft is sent back to the Detroit office of the HOLC, which is required to get a full statement from the owner that the building has been restored, a statement by the appraiser that such work as been done and a statement from the carpenter that there will be no mechanic's lien filed. Where the loss is in excess of \$200 there is another red tape routine. A picture of the house must be supplied. Bids from three contractors must be submitted and these must be filed. He suggested humorously that matters would be greatly simplified if the companies would merely deny liability on all losses in which the HOLC is interested. Speaking seriously, however, he expressed the hope that some arrangement might be made whereby losses could be paid with less delay. He suggested the possibility of having some federal authority at Marquette endorse the checks and be given authority to get statements from the various individuals.

Hartford Policy Cited

Mr. Redmond also spoke on the policy of the HOLC of turning the insurance over to the Hartford, where a borrower does not pay for additional insurance or upon renewal. The number of such cases will be greatly increased, he said, when the new HOLC act, authorizing improvements up to \$2,000, gets into full operation. The agent should make a strenuous effort to see that the premium is paid on renewal date, he said.

Mr. Byrns said he had found that loss drafts are side tracked in Washington sometimes for as long as four or five months. He said he had taken the question up with the congressmen of the upper peninsula, who promised to see if a better arrangement could not be made.

Mr. Thatcher brought up the question of having the upper peninsula



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agents form a separate organization, operating as a unit. There was considerable discussion on this point and the majority sentiment seemed to favor putting forth stronger efforts to have upper peninsula agents join the Michigan association and have the upper peninsula people operate on the same informal basis as they have for the last several years.

Mr. Byrns appointed a committee to confer with officers of the state association on the plan of operation of the upper peninsula agents. That committee consists of Mr. Old, Mr. Cox and A. W. Peterson of Ironwood.

Describes Ironwood Board

Mr. Peterson, who is one of the beloved characters of the upper peninsula, was introduced to tell something about the operations of the Ironwood local board, which is a most effective organization. He said the local board has an agreement with the city whereby all insurance is placed with the association through the secretary. It is a provision of the local board that in the event of death or disability of any member, the other members will protect him and prevent his business from being raided. The board has a reporting system on credits, which functions most satisfactorily. It is a gentleman's agreement that members of the board will not solicit each other's business. The agents in that place concentrate on new business. Mr. Peterson is president of the board.

Mr. Old urged support on the part of the upper peninsula agents of the Grand Rapids convention of the National Association of Insurance Agents.

Mr. Old suggested discussion on sales promotion and advertising features of agency operations. He said an agency operator requires unusual talent, inasmuch as he must manage the office, attend to details and at the same time be a salesman. He said that the management function should not be permitted to mortify the selling function. He suggested that an agent assign a definite time for selling effort and not permit anything to interfere with that work.

Advice of Fred A. Roper

Fred A. Roper of Menominee talked on this point, introducing his remarks with the humorous advice: "Get a Swede girl in the office. Let her do the work and you play golf." Seriously speaking, he said that the agent should not be in the insurance business just to make money. He should be in it because he believes in it and because it offers the possibility to render outstanding service. The agent owes to his community all of his ability. "Sell yourself and give yourself," he advised. "Too many in the business do not see beyond collecting the premium," he said. "Sell yourself to your client so that it is you he is buying." The agent should devote himself conscientiously and honestly to the service of his clients and apply himself thoroughly to his business. The agent should give his time unselfishly and should go out of his way to render service. He should get up late at night or early in the morning if his services are required. As an example of the kind of service an agent should render, Mr. Roper recalled a recent incident. One Saturday afternoon as he was just leaving to play golf, a friend telephoned that he had become involved in an automobile accident in Sheboygan, Wis. Mr. Roper went immediately to see him, made hospital arrangements and in short spent a fine golf afternoon in an agency service. "There is a reward of unalloyed joy in rendering an unselfish service," he said.

Resolutions Are Presented

F. J. Duda of Bessemer reported for the resolutions committee. The HOLC was memorialized to expedite the handling of loss drafts by authorizing a man at Marquette to act for the corporation.

Resolutions were presented in honor of the memory of three men who had died during the year, they being C. D.

Livingston, former insurance commissioner of Michigan, G. B. Sedgwick, who was secretary in the western department of the Great American, who originally came from Ishpeming in the northern peninsula and was close to the upper peninsula agents, and R. T. Miller of Iron Mountain, who was at one time field man for the America Fore companies.

A. J. Young of Escanaba acted as toastmaster at the banquet. He introduced George Brown, who had arrived with Mr. McCune in the afternoon. Mr. Brown made a strong appeal for association membership. He said there had been some agitation in favor of reducing the dues to \$10, but he expressed the belief this was too small an amount, since \$6 must be remitted to the National Association of Insurance Agents. He said that since the NRA turned down the code filed by the National Association of Insurance Agents, attention must be given to the advisability of setting up state codes, similar to that in effect in Utah. The Michigan association has been interested in helping the insurance department to check the operations of mutual benefit concerns, which are preying on the public.

L. K. Power was introduced and took a bow. Ralph Wade made a talk in which he spoke of the operations of mail order insurance concerns. He said these outfits have sprung up all over the country, grasping the opportunity offered by depressed conditions and the desire of the public to hunt bargains in all directions.

The final speaker was President McCune of the state association, who made a gracious address.

**Pearl Is Leaving
the Pacific Board**

(CONTINUED FROM PAGE 1)

Mr. Conklin spent several weeks in San Francisco, conferring with officials of the Pacific Board, endeavoring to reach a satisfactory accord, continuing the effort later through correspondence from this city, but without satisfactory result, the executive committee finally wiring that it construed Mr. Conklin's attitude tantamount to the Pearl's resignation, and Mr. Conklin was satisfied to have it so.

The text of Conklin's wire of resignation of the Pearl from the Pacific Board is: "Greatly appreciate your consideration and much embarrassed inability to accept. After receiving your wire definitely advising that we could expect no further consideration than that already proposed by you and unacceptable to us we consummated a contract for the operation of our fleet on the coast on a non-affiliated basis. Because of separation pressure being brought against us elsewhere uniform independence of operation is the only logical path we can pursue."

**HOLC Officials Consider
Several Insurance Plans**

(CONTINUED FROM PAGE 1)

gages on 20 percent of the homes in this country. It is pointed out that the HOLC has at its disposal only \$3,300,000,000, whereas the value of dwellings in the United States is between \$70,000,000,000 and \$80,000,000,000. These figures do not indicate that the HOLC will occupy any commanding position in the home mortgage field.

Mutual Meeting Dates Set

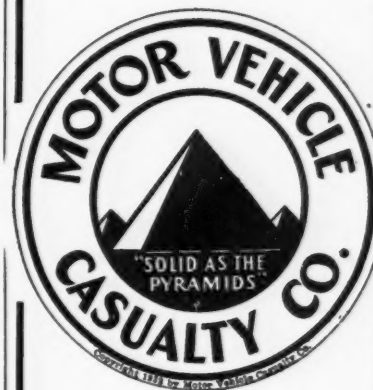
Dates for the annual meeting of the National Association of Mutual Insurance Agents in Washington, D. C., have been definitely set as Sept. 26-28.

The annual joint meeting of the National Association of Mutual Insurance Companies and the Federation of Mutual Fire Insurance Companies will be held in Savannah, Ga., Nov. 12-15.

Under same management for
19 years.

**Sound
Automobile
Insurance**

Inquiries from responsible
agents and brokers welcome.



HOME OFFICE

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IllinoisA STOCK AUTOMOBILE
COMPANYEstablished 1914
as Motor Vehicle Underwriters
Incorporated 1930

AMERICAN AUTOMOBILE INSURANCE COMPANY

ST. LOUIS

FINANCIAL STATEMENT, JUNE 30, 1934

ASSETS

U. S. Government Bonds.....	\$ 863,989.41
Railroad Bonds	950,016.53
Public Utility Bonds.....	1,587,824.16
Industrial Bonds	329,910.04
Total Bonds*	3,731,740.14
Stocks**	3,768,053.10
Total Investments	7,499,793.24
Premiums in Course of Collection (Not over 90 days old).....	1,534,842.42
Cash	1,240,598.62
Accrued Interest and Dividends.....	53,209.45
Due from Other Companies.....	3,652.02
Total Admitted Assets.....	\$10,332,095.75

*Bonds valued according to New York Insurance Department Amortization Formula.

**Stock values as prescribed by National Convention of Insurance Commissioners.

LIABILITIES

Reserve for Unearned Premiums.....	\$ 3,833,615.06
Reserve for Liability Claims and Claims Expense (N. Y. Law).....	2,645,492.47
Reserve for Other Claims.....	151,360.98
Reserve for Other Claims Expense.....	30,272.20
Reserve for Commissions (Not Due).....	342,665.87
Reserve for Taxes.....	110,056.76
Reserve for Dividends Declared.....	50,000.00
Reserve for Balances Due Other Companies	88,752.89
Reserve for Other Liabilities.....	7,810.00
Contingency Reserve*	150,826.14
Capital Stock	\$1,000,000.00
Surplus	1,921,243.38
Surplus as Regards Policyholders.....	2,921,243.38
Total Liabilities	\$10,332,095.75

*Contingency Reserve, representing difference between value carried in Assets and Actual June 30, 1934, Market Quotations on all Bonds and Stocks owned.

INSURANCE ON AUTOMOBILES EXCLUSIVELY

Losses Paid since organization more than Fifty Million Dollars

The National Underwriter

August 2, 1934

CASUALTY AND SURETY SECTION

Page Twenty-three

National Surety Deal Hits Snags

Court Defers Decision and Haystone Securities Corporation Withdraws Deposit

OBJECTORS ARE HEARD

Bid of \$6,000,000 for Corporation Is Less Than Value Set By Any of the Appraisers

NEW YORK, Aug. 1.—Holding the offer of \$6,000,000 made by the Haystone Securities Corporation for the 100,000 shares of the new National Surety to be inadequate, creditors of the old National Surety vigorously opposed its acceptance at a hearing before Supreme Court Justice Valenti.

After testimony by representatives of the department, a number of actuaries and attorneys, the court instructed that copies of the statements and opinions offered be supplied representatives of each of the creditor groups and that a further hearing be held Aug. 20. Upon the failure of the court to decide the matter, the Haystone Corporation withdrew its deposit, although stating it would be renewed if Justice Valenti should later approve its proposition.

Appraisers' Views Differ

An appraisal of the assets of the new National Surety by W. B. Ward, an accountant, acting for the department, fixed their value as of May 21 at \$7,270,000. The figures quoted by P. J. Hangle, selected by the court to make an appraisal, were \$8,750,000. The A. M. Best Co. submitted that \$6,500,000 would be a fair valuation. J. S. Blume, an important stockholder in the old National Surety, held the corporation to be worth not less than \$8,928,000, while another authority mentioned \$12,000,000.

While Mr. Best would concede no value for the agency plant, saying it had been taken into account when computing the worth of the reserve, others insisted the agency organization was of pronounced value, some holding that \$5,000,000 would not be an extravagant price to pay for it.

Would Allow \$500 Per Agent

When fire companies evaluate the agency plant of a reinsured institution they grant an average allowance of \$300 per agent. In view of the superior character of the National Surety's field representatives and the high cost of getting an agency organization for a surety company, it was felt an average allowance of \$500 per agent would be conservative. Mr. Blume would allow 60 percent on the reserve of the company. Others were not willing to concede more than 50 percent. L. H. Pink, who represented the department, declared there "was no question but that the corporation had been successful, and had achieved the purpose for which it was organized."

Under a plan for reorganization of

Working Toward Standard Automobile Policy Form

QUESTION IS NOW COMING UP

Insurance Section American Bar Association Will Discuss the Issue at Annual Meeting

No further developments are expected on the standard automobile liability policy until the meeting of the insurance section of the American Bar Association in Milwaukee Aug. 27. The committee on automobile insurance will give its report at this time and Commissioner W. S. Pope of Texas will outline the views of the Texas department. A standard automobile policy becomes mandatory in Texas Sept. 1. West Virginia, the only state making mandatory a standard form at the present time, has required it since July 1.

In both West Virginia and Texas the insurance departments have rate jurisdiction. In order that all policyholders receive equitable treatment in obtaining the same coverage it is necessary that the policies be standardized.

Another consideration arises in that if the standard automobile policy is not agreed upon by the companies, each state is likely to have its own ideas on what should be incorporated in the policy and much confusion and variety of policy forms will result.

Both the West Virginia and Texas departments are willing to cooperate with the companies in determining on a standard form. It is not likely that a standard policy will be issued by any of the companies until after the first of the year.

DESIRE ACTION IN TEXAS

NEW YORK, Aug. 1.—As soon as the draft of the proposed standard automobile liability policy is submitted to the Texas department, a hearing on it will be held by the commissioners early in the fall. The companies have been given several months to perfect the contract in line with the suggestions offered at the meeting in Austin last May. The desire of the framers is so to phrase its conditions as to make the policy usable in virtually all states and to obviate the use of the varying forms and abundant rider attachments as at present. Through the adoption of phraseology that has stood the test of court action, the thought is that uncertainty as to how conditions differently phrased might be construed would be obviated, and underwriters and claim men would know exactly the nature and extent of the liability assumed.

the old National Surety, the legal firm of Kraus, Leman & Parker of this city proposes formation of two corporations to be known respectively as the National Service Corporation and Nasco, Inc.

The first corporation would take over all mortgages, sold notes, properties and collateral held by the 88 separate trusts for the benefit of holders of the guaranteed securities; Nasco, Inc., would take over all stocks of subsidiaries for the benefit of general creditors of the

(CONTINUED ON PAGE 28)

Devices to Reduce the "Not Taken" Evil Are Weighed

MANY FEATURES INVOLVED

Some Executives Feel Signed Application Plan Is Not Adaptable to the Complicated Compensation Contract

In considering various methods that might be employed to reduce the cost of not taken policies in the casualty business, and particularly in the compensation line, executives are weighing all of the considerations. Objections have been cited to all of the plans that have been adopted or are being used. Questions of practical application occur to various executives and department heads and these are being considered.

At present two plans are actually being tried out. There is the procedure employed by the Zurich of requiring an assured definitely, within 20 days after issuance of the policy, to sign a statement that he is accepting the policy. If he does not sign such a statement, the policy becomes void at the end of 20 days. The other plan is the one recently introduced by the Continental Casualty requiring a purchaser of compensation insurance to fill out a signed application.

Variety of Questions Arises

A variety of questions as to the practical application of either of these plans naturally arises. Some executives feel that the signed application plan is not particularly well adapted to compensation insurance. Their argument is that the compensation contract is perhaps the most complicated of any insurance policy. It may cover in several states, with different state regulations to be taken into consideration. There may be a difference in limits as between the various states.

It is a contract that must be worked out in detail and may present features that are subject to more than one method of treatment. Therefore, executives who do not favor the signed application form, feel that the assured who is asked to make application for the insurance, before he has been able to scrutinize all details, is more or less in the position of buying something sight unseen.

The signed application is the method employed in life insurance, but the point is made that the life insurance contract is a simple one in comparison with the compensation contract. The assured has a chance to make up his mind whether he wants to buy his insurance in a certain company, he can agree as to the amount of insurance he desires and may inspect the form of contract beforehand.

Signed Application in Canada

However, there are a good many executives who favor the signed application form. They point out that it is being used in Canada and they feel it presents fewer objections than the Zurich plan.

The management of the Zurich feels that its plan is logical, because it gives the insured an opportunity to study the contract, as it is actually worked out,

(CONTINUED ON PAGE 28)

Plate Glass Rates Revised Downward

Some Territories Profit from Better Experience, Lower Replacement Costs

EFFECTIVE DATE AUG. 1

Parts of New Jersey Get Cut of a Third, Other Sections Substantial Drop—Some Increases Made

NEW YORK, Aug. 1.—Due to improved loss experience in certain centers, and decreased replacement costs in others, plate glass rates in a number of territories have been reduced by the plate glass department of the National Bureau of Casualty & Surety Underwriters. The changes are effective Aug. 1.

Delaware especially profits through the revision, territory outside Wilmington being given substantial reduction. It was found that replacements at virtually all points in the state could be made promptly through shipments from Wilmington or Baltimore, instead of depending upon long distance service as previously.

New Jersey Reductions

Removal of powder mills from various centers in New Jersey, which justified the discrimination previously existing against a number of towns held to be in the danger zone, caused the following communities to be listed as in the "balance of the state," each benefiting by a 33 1/3 percent rate reduction: Denmark, Drakesville, Hibernia, Hopatcong, Kenvil, Lincoln Park, Mt. Arlington, Mt. Hope, Mt. Pleasant, Mountain View, Oreland, Pequannock, Pickatinny, Richards, South Amboy, Succasunna, Wayne and Wharton.

Other fields to profit by rate reductions are: Georgia—Augusta, Macon, Savannah, 12.5 percent; Louisiana—New Orleans, 20 percent; Mississippi (on flat car sizes only) 1.7 percent; New Jersey—Bayonne, 9.1 percent; Hoboken, 10.3 percent; Jersey City, 10.4 percent; balance of Hudson county, 11.2 percent; Newark, 11.0 percent. Rhode Island—Providence, 16.7 percent; Pawtucket, no change; balance of state, 17.5 percent. South Dakota—most of state (on flat car sizes only), 2.6 percent.

Continued unfavorable loss records in Chattanooga, Tenn., and in Brooke, Hancock, Marshall and Ohio counties, W. Va., on the other hand compelled rate increases, the advance in the former territory being 16.7 percent, and in the latter, 50 percent.

Further action by the bureau was to grant permission to such member companies as cared to do so, to assume loss against destruction by fire as well as accidental breakage of memorial windows in churches and hotels, for an additional charge of 5 percent of the straight plate glass rate.

Pernicious Practice of Rate Cutting Is Widely Prevalent

IMPORTANT CAUSE OF LOSS

Efforts of Skilled Underwriters Offset by Attempts of Others to Get Business at Any Cost

One of the important factors responsible for unsatisfactory loss ratios on a number of casualty coverages, according to a casualty company official, is that no matter how carefully home office underwriters selected risks, their work is largely offset and much of the underwriting done by inexperienced or devil-may-care underwriters of competing companies who quote lower rates.

This is one of the most pernicious evils in the business. It manifests itself by competitive quotations which frequently can have no other result than to force the company on the risk to meet the price in order to retain patronage of the agent or broker handling the business and to avoid losing not only the line in competition but collateral lines on the same risk, and perhaps the agent's or broker's entire premium volume.

Practice Is Widespread

The practice is so widespread in the large centers that, particularly in Chicago, it is said there is scarcely a plate glass risk on which such competition does not arise. Plate glass has been driven down from a "velvet" line to one which has been decidedly unprofitable for some companies and with only a narrow margin of profit for others. It is a custom found in the workmen's compensation field, and is at least one outstanding cause for the bad showing of this line for many years, according to the home office official.

He cited a recent case to show how the system works. One of the company's valued connections submitted a proposal for plate glass insurance on a large chain with about 200 stores. It was planned to derive a flat rate per store, the company underwriter calculating that the risk could be written at \$50 per store.

Vicious Dickering Starts

The agent who controlled the business however had scarcely made the proposal to his client when he met competition from another office through a representative who quoted \$40 per store. He brought this news back and urged that the rate be met as there was a great deal of other insurance involved, which he controlled. He felt the competing agent was principally interested in ingratiating himself with the client and getting the whole line.

The \$40 rate was met, but the other agent was able to get a \$30 quotation from his company. At this point the home office official telephoned the competing agent, informed him he had no chance, that the other agent was a director of the company seeking the glass insurance, had handled the entire line for many years, and the only result would be to drive the premium down to an unprofitable level for the company holding the risk.

The rival agent first denied that he had made the low quotation, then admitted the charge and said frankly he was going to get in on the line some way. He was not successful, but he finally drove the rate down to \$18 per store, on which basis the original company lost a large amount of money.

Prevalent in Other Lines

The same thing happens continually in other lines, the official said. In burglary insurance an applicant for coverage may be told by a company selecting risks carefully that he must install certain protective equipment. The unskilled underwriter may either deliberately ignore reasonable underwriting rules or be ignorant of them. At any rate, the

Views on Contract Bonds

Vice-president United States Fidelity & Guaranty Talks at Company's Pennsylvania Sales Meeting

By CHARLES C. CONLON

There are many agents who are fearful of attempting to develop their surety lines because they know little of them and who think that the underwriting principles are very much involved and hesitate about undertaking to acquire a working knowledge of them.

Contract bonds present a serious difficulty to this type of agents. Usually the premiums on contract bonds run into large figures. Certainly the commissions are more than commensurate with the time and effort involved in writing the ordinary contract bond. On the one hand the agent desires to acquire a commission on a fairly large premium and on the other he is beset by his fear of being unable to handle the proposition.

Nothing Mysterious

While it is true that in contract bond underwriting one must face a greater number of questions than in the usual run of surety bonds, there is nothing at all in their handling that is dark, mysterious, or difficult from the agent's standpoint. In order to avoid embarrassment to the agent and to the client it is necessary that the agent know something of contract bond underwriting because it is possible that he may solicit a piece of business and have it declined to his own and his client's chagrin.

First of all, a contract bond underwriter looks at the nature of the contract which he has before him. He wants to know, before anything else, that the contract is one which does not contain undue hazards. In other words, in a case of a sewer contract he wants to know that the ground conditions are good, that there is no quicksand or that there are no boulders to be encountered in the cuts; or if the sewer is being built in a tunnel, he wishes to know that the roof will stand without undue timbering or other support. If the work is hazardous, then, of course, the underwriter takes up the matter of additional plant, additional experience, and additional financing which those hazards demand.

Considers Price

Assuming that the contract is fairly simple in its nature, the underwriter then considers the price at which the work has been secured. Ordinarily the rule is that the various contractors who have bid on the work know their business and that the low bidder should be reasonably close to the other bids submitted. Our engineering department keeps posted on the prices of material and construction work throughout the country, so that very frequently when there is apparently a great discrepancy in the bids we are able through the engineering department to ascertain the reason for that discrepancy and in some cases we are able to discount that difference and proceed with the consideration of the risk, knowing that the contractor has a good price even though by a comparison of the bids, the price appears bad.

Being satisfied as to the hazards of the work and the price, the underwriter then takes up the question of the experience of the contractor and his client. This naturally is of great importance because unless a man is equipped from the standpoint of experience and plant to pursue the contract which he has undertaken, he is bound to run into difficulty and difficulty for the contractor

underwriter of the competing company may decide such recommendations are silly, advise the applicant to forget the recommendations, and quote a lower rate.

generally means annoyance to the agent and loss to the company.

Greatest Difficulty

The final consideration is that of financial responsibility. Here is where we have our greatest difficulty. So often it happens that a contractor is experienced, has a good price, and has a proper plant; but he hasn't sufficient money to finance his work. It is a saying among underwriters that honesty and experience never paid a bill. It takes money to do that. In most cases, construction contract bonds are given for a dual purpose: First, to guarantee to the owner that the work will be completed in a satisfactory manner at the agreed price; second, that all bills arising out of the operation will be paid. The second obligation is a financial guaranty. It is not a financial guaranty in the sense that we use that term in speaking of appeal bonds and risks of like nature; but it is a financial guaranty in that the contractor must have sufficient money to meet his bills promptly, to take up any financial loss which may accrue to him by reason of untoward happenings in the progress of his work, to make good delays in the work by reason of the delays in the delivery of materials or plant breakdowns or labor difficulties. Financial responsibility always has been and always will be an important factor in underwriting contract bonds. Therefore, it follows that in the solicitation of contract bonds an agent should have at least a general knowledge of the risk, which he is soliciting. He should know, of course that a contractor who has \$2,000 or \$3,000 should not be underwriting a contract of several hundred thousand dollars. He should know that unless a contractor is prepared to secure experienced men to help him he should not undertake work which is entirely out of his line. I mean by this, that a sewer contractor should not undertake to put up buildings; a building contractor should not undertake to construct roads; a road contractor should not undertake to do dredging work.

Should Get Preliminary Data

An agent should begin his solicitation of contract bonds with the contractor. He should know all the contractors residing in his territory; he should know the class of work which they undertake. This is readily available from talking to the contractor and his friends. Then he should know approximately the contractor's financial condition. This can be obtained by discussing the contractor with material men and with the banks. With this general knowledge the agent is in a position to go to the contractor and solicit his business, to ask definitely what work he undertakes, how much he has on hand at any one time, and to ask him about his financial condition. All this is preliminary. All this can be done before the contractor has a specific job in prospect; but all this is necessary because contractors invariably wait until the last minute before arranging their bonds and usually it is the agent who has assembled his general data and acquainted his company with the contractor, who quickly can check up the specific data on the contract, the contractor's financial condition at the moment, submit it to his company, and get a prompt reply. Contractors, even though they wait until two or three days before the letting, can not afford to wait until the last minute before getting an answer on their contract bond applications, they must get the answer quickly. So what seems to be general missionary work often develops into a background which is invaluable in specific cases.

Report Cut Considered in Residence Burglary Rates

FIELD WANTS LOW COST FORM

Suggestion of \$5 Policy Deemed Impractical, But Limited Contract Could Be Sold for \$10

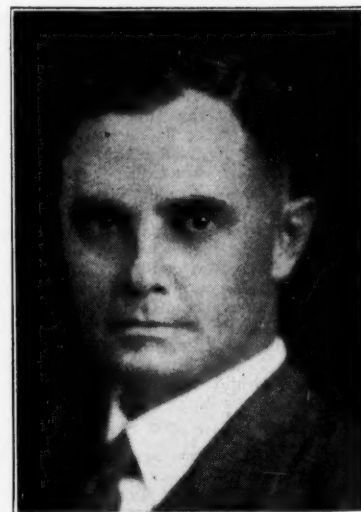
There is a definite impression in many quarters, the truth of which cannot be checked at this time, that a downward revision of residence burglary rates is in process in the National Bureau of Casualty & Surety Underwriters. The rumor of impending rate reduction on residence burglary has been current for the last year or so, but appears to be taking more definite form at this time.

There is some demand in the field for bringing out a low cost residence burglary form to meet the demands of the times, and especially the competition of non-bureau companies selling the \$19.80 contract. There has been some talk in the field of the desirability of a policy selling for \$5, but this hardly seems practical due to the expensive factors of theft and mysterious disappearance.

Men in the field, however, feel it should be possible to write a contract costing around \$10, giving sufficient coverage for the average householder. It is possible under bureau rules to write a policy as low as \$9 in some territories but this provides all the coverage under section B and none under A.

It is believed in the field that a low cost policy for sale in smaller towns is especially needed. In these communities the prospect of burglary and theft is not taken seriously. Many people leave their doors unlocked and windows open at night. They are thus unwilling to pay upwards of \$20 for a policy which they feel never will be called on to pay a loss. If a really low cost policy were provided a small town agent might do a good business on this line, for he would find a certain number of cautious people desirous of covering the hazard, even though somewhat remote.

Again the Head



FRED J. LEWIS

Fred J. Lewis, head of the George H. Russell Company agency at Milwaukee, has been reelected president of the Milwaukee Board of Casualty & Surety Underwriters. Mr. Lewis is one of the leading local agents in his city. He has served as president of the Wisconsin Association of Insurance Agents and the Milwaukee Board. He is a familiar figure at meetings of the National Association of Insurance Agents.

Fidelity Business Is Showing Gain

Investigation Service Rendered by Companies Is Valuable to Employers

BATES OUTLINES VIEWS

Check Loss Due to Lost Confidence of Customers and Replacing Dishonest Employees

NEW YORK, Aug. 1.—Through their careful investigation into the character and habits of employees of business organizations and individuals, fidelity bond writing companies perform a valuable service to their clients over and beyond the assumption of liability for loss through embezzlement or defalcation. In addition, the reports furnished by the bonding companies not infrequently induce careless young employees to correct their habits and to abandon associates, continued contact with whom would probably end in disgrace.

Investigations Reduce Losses

In discussing the general subject, W. L. Bates, secretary of the Fidelity & Casualty, the first home company to issue fidelity bonds, declares that as the result of the companies' efficient investigation service, the loss ratio on the fidelity line has been kept to a minimum. Since the increase in general business activity there has been a decided gain in the volume of fidelity coverage. Employers are taking on additional help and placing greater financial responsibilities on those previously in service requiring added protection. In the light of this condition and the strong probability that the movement will continue, Mr. Bates holds it peculiarly essential that an intelligently directed investigation service be maintained by the bonding companies, pointing out that it would not only make for reduction in the losses for which the companies accept liability, but would prevent losses by employers of a character that can not be covered by any form of insurance.

Suffer Loss of Confidence

Last year, Mr. Bates says, aside from the several million dollars paid by fidelity companies because of the dishonesty of employees, there were many cases of shortages in excess of the bond coverage. Moreover business interests suffer through the revealed dishonesty of trusted employees in the loss of confidence on the part of customers. In addition, engaging and training new, inexperienced help consumes the time of high-salaried executives as a rule. While there is no way of definitely figuring the loss resulting from this latter condition, it is conservatively estimated at \$5,000,000 annually.

To keep fidelity losses at a minimum, Mr. Bates says, "we work simultaneously along two lines. One involves recommendations of safe business procedure, such as regulations that no one person shall have private access to securities and rules governing counter-signatures of checks. The other contemplates a thorough investigation of the individual."

The starting point in the latter connection is "the individual's own report, by dealing with his entire business career. Any gaps are immediately checked. We learn a man's habits, whether he gambles, lives beyond his means, pays his bills or has unworthy friends." Instances are not infrequent

New Safety Device Has Now Proved Its Value

C. F. Liscomb of Duluth, who is a member of the executive committee of the National Association of Insurance Agents, is chuckling over an incident that involved one of his assured. Albert Baldwin, who carries his insurance through the Liscomb agency, struck a man named Esa Kangas, who walked in front of the Baldwin automobile. Kangas was taken to the hospital and was found to be not injured because two hot water bottles concealed beneath his clothes had absorbed the shock. Further investigation disclosed that the bottles were not filled with hot water, but with moonshine whisky. Kangas was arranged in municipal court on a city liquor charge.

Stratosphere Balloon Was Covered from Every Angle

NEW YORK, Aug. 1.—Insurance covered the ill-fated stratosphere balloon and its crew against almost every conceivable hazard, the National Geographical Society, which sponsored the flight jointly with the army, has announced. Ten policies were issued by London Lloyds and the Aetna Life. The bulk of the loss will fall on the British underwriters, as they covered the flight itself. The Aetna covered the big bag and its equipment during transportation to the Black Hills, and had some of the liability coverage. Damage to third party property, however, was limited to negligible harm done to the field in which the balloon fell. The pilot, co-pilot and observer were insured against death or disability. The value of the balloon was put at \$60,000, and the instruments brought the total outlay for the flight to about \$500,000.

Oklahoma Objection Heard in Southern Surety Case

NEW YORK, Aug. 1.—Two important issues were raised at the hearing before Supreme Court Justice Valenti regarding the proposed payment of certain claims by Superintendent Van Schaick of New York, as liquidator of the Southern Surety.

Under the New York law, compensation claims are entitled to preference and the constitutionality of that preference was challenged on behalf of Oklahoma creditors by G. J. Fagan, assistant attorney general of that state, and by attorneys representing other interests. Furthermore the objectors attacked the contention of a number of employers, who had paid injured employees and taken subrogation that they are entitled to preferred treatment. The judge asked that such briefs as were to be submitted be handed in at once. It is anticipated a decision will be handed down within a week or ten days.

Standard Accident Branch Outings

Celebrating the 50th anniversary of the founding of the Standard Accident, outings of branch offices are being held throughout the country for those who were unable to attend the recent celebration at the home office. These parties will be staged in Syracuse Aug. 3, Indianapolis (at Noblesville, Ind.) Aug. 20 and in New York some time this month.

Similar outings have already been held in Chicago, Cincinnati, at Pemberton, Mass., for the New England branch; at Eatontown, N. J., for the Newark branch and at Medford, Pa., for the Philadelphia branch.

In which the findings of the investigators have caused men who are not vicious, but merely thoughtless, to correct their ways, justifying their subsequent bonding for substantial amounts.

Sales and Underwriting at U. S. F. & G. Meeting

Representatives from 53 western Pennsylvania agencies attended a sales meeting at Uniontown, Pa., sponsored by the Pittsburgh branch of the United States Fidelity & Guaranty. Experts from the home office discussed pertinent problems in regard to sales and agency-company relations.

A brighter future accompanied by inevitable change was predicted by Chairman R. Howard Bland.

"We must realize that the world has changed, and to succeed we must change with it," he said. "There can be no holding back, and it is useless to live in the past. No matter what our political faith may be, we must recognize conditions as they are and be governed accordingly. I do not mean by this that we should be satisfied to sit quietly by and not fight with all the strength we have against ideas and experiments which we know to be detrimental both to government and to business. While opposition to laws or regulations for the sole purpose of tearing down is most undesirable, I might say reprehensible, sound and constructive criticism should not only be welcomed but should receive the flood light of constant publicity.

Increase in Premiums

"Our operations for the first five months of this year show a vast improvement over the same period for last year," reported Mr. Bland. Premiums have increased over a million dollars, about 10½ percent, while losses are 15 percent less. Each month of this year has shown an increased production over the corresponding month of last year, but it is most significant that the premiums for May, 1934, exceeded the production for May, 1933, by over \$410,000. This is important in that it shows the insuring public, now that the mortgage situation has been clarified, is entirely satisfied concerning the strength and stability of the company.

Vice-president J. F. Matthai called attention to the excessive compensation and automobile liability underwriting losses during the last five years. Other liability, which was considered profitable up until 1930, has been showing an increasing underwriting loss since then due to the public becoming more claim minded and the awarding of larger verdicts. There will probably have to be a revision in these liability rates in the near future in an effort to remedy this situation.

"The companies have been exerting every effort to improve the casualty situation so that the results will be an underwriting profit instead of an underwriting loss," said Mr. Matthai. "We are confident that, with the complete cooperation of the agents, the stock casualty companies can again reach the point where they show an underwriting profit on their casualty business.

Low Administration Cost

"The companies have reduced their administration and other expenses. They are going to try to further reduce these expenses. We do not believe it is either feasible or practical to reduce our acquisition cost, or, in other words, the agent's commission. We believe the agent deserves the commission that he gets, provided he conscientiously underwrites his business and gives to both the assured and the company the service he is supposed to give for the commission that he gets.

"There are too many agents who think that in order to earn their commission they must give the service only to their assured. Unless those agents can be changed, the stock casualty companies are going to continue to have an underwriting loss on their casualty business. How long they can stand

that loss is, of course, not known at this time.

"Why do the mutuals have a lower loss ratio than the stock companies have? From a company standpoint, they cannot select their businesses any better than the stock companies can, but they do not have the agency situation that the stock companies have, whereby agents try to place with them undesirable risks, and insist that their companies carry a known undesirable risk because of the desirable business that those agents place with the companies.

"There are too many agents who look at the commission only and insist, especially in connection with high rated and hazardous business, that their companies accept such business from them so that they can get the commission on it.

"There are many agents who knowingly give incomplete, and on occasions, incorrect information about a risk in an effort to have their company carry it. Unless such agents change, and unless the agents as a whole give better cooperation to the companies than they have evidenced during the past few years, none of us know what the results are going to be."

Makes Three Suggestions

Mr. Matthai made the following suggestions:

"Do not ask your companies to write a risk that you know is undesirable, or that has shown by past experience that it is a losing proposition.

"Concentrate your efforts on profitable business and thereby reduce your percentage of compensation business as compared with your total writings.

"If your agency is operating at a profit, do not insist that your company take an undesirable risk and give the old time-worn reason that the company cannot expect all of the cream without some of the skim milk. We are willing to accept some of the skim milk with the cream of the business, but we object seriously to taking periodical drops of poison camouflaged as skim milk."

Other talks were: "Advantages of the Del Mar Plan," W. B. Joyce, manager, the Del Mar Company; "Contract Bonds," Charles C. Conlon, vice-president; "Inland Marine Insurance," F. A. Doyle, secretary, Fidelity & Guaranty Fire; "The Agents and the Claim Department," H. D. Combs, vice-president.

At a banquet J. R. Dickey, Pittsburgh attorney, officiated as toastmaster, and in addition to Mr. Bland, Philip F. Lee, vice-president, and H. F. Ogden, vice-president, Fidelity & Guaranty Fire, talked.

E. J. Johnson Has Resigned

E. J. Johnson, who has been claim supervisor for the Western & Southern Indemnity of Cincinnati, has resigned. For some time he has not been in the best of health and the recent torrid weather has aggravated his condition. He will leave at once for a lengthy vacation in Michigan. Starting in the insurance business in Chicago with the old National Life, U. S. A., Mr. Johnson has for the past 20 years been associated with the casualty business in Ohio.

His successor will be D. P. Fisher, who has been with the Western & Southern since it started, first as an adjuster in the field and for the past two years as assistant to Mr. Johnson.

Virginia O. K. on Auto Manual

The revised manual for automobile liability and property damage in Virginia has been approved by the corporation commission. There are some rate changes affecting motor buses and trucks but no material change in the rate level.

ACCIDENT AND HEALTH FIELD

Health Losses Much Lower

Profit Expected on Disability Business in 1934 for First Time in a Number of Years

PHILADELPHIA, AUG. 1.—Health losses in 1934, unless the winter brings a serious epidemic, will be the lowest in years. This year is expected to be the first in many years when the companies generally will show a profit in accident and health underwriting. The reason advanced for the low loss ratio is returning prosperity.

"More men have gone back to work," says W. H. Howland of the General Accident, "and they don't want to stay away. They are so happy to be back at work that they are taking no chances of losing their jobs."

Although many physicians have said the recent heat wave has resulted in many cases of stomach disorders, the companies declare they cannot trace any claims to this source.

The accident loss ratio will not show the same substantial reduction. Accident claims are running about the same as last year, perhaps a little lower.

No large increase in the volume of accident-health business written this year is expected. The figures for the first seven months indicate that the premium income is running about the same as in 1933, with perhaps a very slight increase.

In industrial accident and health insurance, however, the companies are reporting large increases, which appear rather general throughout the country and quite steady throughout the year, leading to the belief that business conditions are continuing to improve.

Lumbermen's Mutual Issues Three New Accident Forms

The Lumbermen's Mutual Casualty has withdrawn all of its old accident policies and issued three new forms, all of which conform to the uniform phraseology recommended by the Bureau of Personal Accident & Health Underwriters.

The new "standard" accident policy replaces the old "general" accident contract. It pays weekly indemnity for life for total and permanent disability; hospital or graduate nurse indemnity in addition to weekly indemnity, and surgical indemnity for amputations, dislocations and fractures. It can be written with principal sum of only \$100, at a special rate. Medical expense rider can be added.

The "century" accident policy is sold at a fixed premium of \$15 for classes A to D, with indemnity varying according

to classification. It pays for a maximum of 52 weeks, with 100 percent additional hospital indemnity.

The "premier" accident policy replaces the former \$5 and \$10 automobile accident policies. The premium is \$10 for \$3,750 principal sum; \$25 weekly for 26 weeks, with additional hospital or nurse indemnity. It is issued to men and women, ages 18-59, except chauffeurs, truck drivers, garage mechanics, etc.

Morgan, Groton Advanced

L. W. Morgan and Cary Groton, junior vice-presidents of the Pacific Mutual Life, have been advanced to vice-presidents.

Both Mr. Morgan and Mr. Groton have grown up in the Pacific Mutual Life. The former began with a rate book in the field 32 years ago, and Mr. Groton joined the company as a clerk in its commercial accident division in 1910. He is now in charge of the accident and health department.

Contest Arkansas Requirement

The Benefit Association of Railway Employees filed petition in chancery court at Little Rock for an order to restrain Commissioner Gentry from revoking its license for failure to post a \$20,000 bond. The association contended it was a mutual and not required to file bond. The bond is one required from insurance concerns not carrying securities deposited in Arkansas to cover any claims, and must be filed every year at a cost of several hundred dollars. The Little Rock action is a friendly test of the issue.

Columbia Accident Licensed

The Columbia Accident of Lincoln, operating on the mutual plan, has been licensed in Nebraska. E. F. Snavely, building and loan association executive, is one of the incorporators, and with him are listed J. F. Taylor, O. W. Carlson, V. Sobotka, C. H. Brumbach, Charles Mainner, R. J. McGrath, W. P. Atkins and C. O. Schlytern, formerly with the Lincoln Trust company.

Pushing Accident-Health

The Life & Casualty of Nashville, which has been centering its attention primarily on life insurance for some time, is now making more of a drive for health and accident business than for some time past and is urging its agents to increase their volume along this line. The company has 851 health and accident debits and reports that the sick claim ratio on these debits, as a whole, has been very favorable this year. It is pushing especially its industrial travel and pedestrian policy.

Most of the southern industrial companies were built up originally on health and accident business but the unfavor-

able claim ratio on that business in recent years has caused them to turn away from it more and more.

Names New Supervisors

The Loyal Protective has announced the appointment of four new field supervisors, with headquarters as follows: J. J. Richardson, Chicago; A. A. Conrad, Oakland, Cal.; J. W. Martin, Spokane, Wash.; W. H. Heyman, Boston. All are promotions of men in the field.

Casualty Field Changes

Irvin R. Smith Resigning His Connection in Michigan

Irvin R. Smith, associate manager in Michigan for the Employers Liability companies, is resigning his position, which he has held since 1928. Before assuming his present position, he was a partner in the general agency of Garrison & Smith, Detroit, representing exclusively the Employers Liability in Michigan. His start in the insurance business was in 1913 in the office of C. H. Garrison of Detroit. He will take a vacation in northern Michigan before announcing his further plans.

Joins Great American Home Office

Porter Ellis, son of Tom P. Ellis, director of the Texas Association of Insurance Agents and past president of the Dallas Exchange, has joined the compensation and liability department of the home office of the Great American Indemnity. Young Ellis was educated at Rice University, Houston, and Southern Methodist University, Dallas, and for the last four years has been in the claim department of Ellis, Smith & Co., Dallas.

Get Standard at Fort Smith

Joseph Ferrari & Co. have been appointed general agents for the Standard Accident in Fort Smith, Ark. The agency is one of the best known in the state, having been established in 1880.

Get Century Indemnity in Newark

Kirkland & Yardley, National Newark & Essex Banking Company building, Newark, have been appointed general agents for the Century Indemnity.

Great Lakes Appointments

The Great Lakes Casualty has appointed these general agents: John H. Camlin Co., Rockford, Ill., Flint agency, Flint, Mich.; A. J. Guth & Son, Akron, O., and Fire & Casualty Underwriters, Detroit.

Regional agency appointments include John F. Dunn, Ann Arbor; H. H. Al-

No Policy Issued But Court Holds Company on Tort

Many paralyzing court decisions are handed down but one that passes understanding has been rendered by the California district court of appeals, second district, in Stark vs. Pioneer Casualty Company. The court not only holds the company liable for damages, not exceeding the amount of insurance, for failure of an agent to transmit an application, but it also renders judgment as for an accident in a case where the woman plaintiff quarreled with a man, sought an officer and returned with him, and the man she had quarreled with shot the officer and herself. The court ruled that the shooting was accidental and not intentional. To cap these holdings the court rules that the case, being a tort, is not barred by the limitations for bringing suit that would have applied to the policy if it had been issued. Under the policy suit would have been restricted to one year after the accident, but suit was not brought until more than one year after the injuries.

The agent solicited the application for accident insurance, obtained it and collected the premium, but failed to transmit the application with the premium to the company. No policy was issued and the court admitted there was no contract on which plaintiff could rely. The claim was in tort for the negligence of the defendant's agent.

berts agency, Benton Harbor, Mich., Dearborn agency, Dearborn, Mich., and Dawson Shauman agency, Pontiac, Mich.

C. W. Emerson Transferred

C. W. Emerson, with the service department of the Fidelity & Casualty at Dallas, Tex., has been transferred to San Antonio and will be in charge of the service department in southwest Texas.

Fillinger to Warren, O.

E. J. Fillinger, assistant claim adjuster for the New Amsterdam Casualty in the Pittsburgh office, has been placed in charge of the claim department at Warren, O.

Bidigare With State Fund

Edward Bidigare, former underwriter for the Union Indemnity and Standard Accident in Detroit, has become underwriter for the Michigan state fund in Lansing.

Mr. Bidigare has had local agency experience and was also for some time with the Union Indemnity.

The St. Paul-Mercury Indemnity has been licensed in Kentucky.



AGENTS

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A Sound Stock Company

writing a preferred line of Automobile

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(Ratio of Assets to Liabilities more than 3 to 1.)

SUBURBAN AUTO INSURANCE COMPANY
LOMBARD, ILLINOIS

Casualty Company Activities

Semi-Annual Figures Shown

Great Lakes Casualty Gives a Good Account of Itself the First Year in Business

The Great Lakes Casualty has issued its semi-annual statement as of July 1 showing the result of the company's first year's operations. During the first six months of this year 43 percent of its premiums came from the special public liability risk department. The company has been featuring this coverage. Comparing the statement with that of Dec. 31 there is an increase in the percentage of government bonds. Government bonds and cash on hand equal 28½ percent of the assets. Its assets increased \$111,899 and its contingency reserve increased \$24,780. The assets are now \$807,077, claim reserve \$119,984, premium reserve \$87,589, contingency reserve \$63,646, capital \$300,000, net surplus \$200,000. The company is under competent management.

Motor Vehicle Casualty Figures

The Motor Vehicle Casualty of Chicago, which is now in its 20th year, reports increases in all directions in its semi-annual statement. Assets as of June 30, 1934, amounted to \$664,228, increase \$37,352 as compared with Dec. 31. Premium reserve amounts to \$263,764, increase \$16,901, contingency reserve \$18,000, increase \$6,000, surplus to policyholders \$275,181, increase \$3,524. There was an increase in premiums written of about 10 percent as compared with the same period a year ago. The company is in possession of cash amounting to 15 percent of its assets. There is no default of interest or principal on any investment and the investment in any single corporation or single mortgage does not exceed 3 percent of the assets. Bonds are carried at amortized values and stocks at market value.

General Casualty Increases

The General Casualty of Seattle wrote net premiums of nearly \$1,000,000 during the first six months showing an increase over the similar period of last year of 35 percent. The assets as of July 1 are \$2,663,000, increase of \$143,000, premium reserve \$956,000, increase \$135,000, surplus \$605,000, increase \$23,000.

The Allstate of Chicago, Sears, Roebuck & Co. carrier, has been licensed in Michigan to write all forms of automobile coverage.

Liquor Not Major Accident Cause, O. M. Conrad Claims

Casualty insurance men, particularly those interested in automobile insurance, have noted with some concern the sharp upward trend in motor car accidents in some localities in 1934, compared with last year's figures. In many cities the police have placed the blame on repeal of prohibition.

This theory is not backed up by facts, says O. M. Conrad, superintendent automobile department Standard Accident. Carelessness and inattention are responsible for most of the accidents, he maintains. His contention is based on investigations which show that the majority of accidents happened in daylight, when weather was clear and streets dry, drivers sober and brakes and steering gear in good order.

"New cars are faster and more powerful and a new technique is required to drive them," Mr. Conrad says. "Often before this technique is mastered many accidents occur. Many old cars with faulty brakes, tires and steering gears

are operating on the streets, and they cause accidents. It has been very hot this summer and heat-frazzled nerves do not react normally in a crisis. Of course liquor plays a part in causing accidents. No man is normal after a few drinks, but liquor isn't to blame for all the accidents."

PERSONALS

Employees of the eastern department of the Lumbermens Mutual Casualty presented J. S. Kemper, president, an oil portrait of himself, painted by Benedict A. Osnis, well known portrait painter. J. L. Oakley represented the donors and Rose M. Packer unveiled the portrait. The portrait will hang in the eastern department offices in Philadelphia.

C. A. Whitchurch, well known local agent at Long Beach, Cal., and formerly accident and health manager of the California Agencies in San Francisco, has been elected commander of the American Legion Post at Long Beach.

Mrs. H. J. Ketchum, mother of Jay C. Ketchum, secretary-treasurer of the Great Lakes Casualty, died after a major operation. Funeral services were held in Hastings, Mich.

Wade A. Fetzer, Jr., vice-president of W. A. Alexander & Co., Chicago, was operated upon last week for an acute case of appendicitis. He is making a good recovery. Mr. Fetzer was for a time head of the life department of the agency, but he is now performing general executive functions.

J. Morton Morris, resident vice-president of the Fidelity & Deposit in Louisville, and Mrs. Morris, sailed Aug. 1 for England, planning to later go to Venice and several points on the continent.

J. W. Bolton, well known Chicago casualty man, formerly branch manager there for the Georgia Casualty and later connected with the Ocean Accident branch, lost his father by death last week. The elder Bolton was in the textile business in Philadelphia.

F. Highlands Burns, chairman of the board of the Maryland Casualty, left San Francisco for the home office July 30 after a ten-day combination health and business visit on the Pacific Coast, arriving via the Panama Canal.

Clyde W. Young, president Monarch Life, who was elected chairman of the executive committee of the Health and Accident Underwriters Conference at its recent meeting, has just completed 30 years of service with his company. He started Aug. 1, 1904, as a clerk. The company was then operating as the Masonic Mutual Accident and was just concluding its third year of business. He was elected a director in 1908, treasurer in 1912, secretary in 1921 and president in 1925. A special sales drive is being conducted by the agency force in honor of his anniversary.

Western & Southern Injunction

The Western & Southern Life, Western & Southern Fire and Western & Southern Indemnity of Cincinnati, have obtained a temporary injunction at Columbus, O., restraining state officials from collecting the tax for 1934 on intangible personal property. It is contended that the tax is a property tax instead of a franchise tax.

The tax involved so far as the Western & Southern Life is concerned is \$51,953, Western & Southern Indemnity \$3,920 and Western & Southern Fire \$1,095. Those companies contend that the levy is a property tax and not a franchise tax and its collection would amount to double taxation.

Great Lakes Casualty Company

131 West Lafayette Boulevard
Detroit, Michigan

FINANCIAL STATEMENT, JUNE 30, 1934

ASSETS	
Cash	\$ 37,978.18
*Bonds	
Government	\$192,083.40
Railroad	6,150.00
Utilities	91,390.00
Miscellaneous	27,525.00
*Stocks	73,272.00
Real Estate (Sold on Land Contract)	3,150.00
Mortgage Loans	280,749.81
Premium in course of collection (not over 90 days due)	78,256.11
Accrued Interest	16,522.00
Total Assets	\$807,076.50
LIABILITIES	
Reserve for Claims	\$119,983.51
Unearned Premiums	87,588.65
Reserve for Commissions, Taxes and Other Liabilities	34,614.87
Reserve for Reinsurance	1,243.70
Reserve for Contingencies	63,645.77
Capital Stock	\$300,000.00
Surplus	200,000.00
Surplus to Policyholders	500,000.00
Total Liabilities	\$807,076.50

*Securities at actual Market Values June 30, 1934

"The square deal companies"

Pennsylvania Casualty Company and Associated Fire Insurance Co.

SQUARE dealings with agents, brokers and policyholders have built for these companies an enviable reputation. Small enough to take a personal interest in agents, yet large and strong enough to give thorough protection, these companies offer sincere agents a real opportunity. If interested, write directly to the Home Office, asking about our special feature policies.

AUTOMOBILE INSURANCE with attractive selling features which make it easy to keep sold including preferred rates to careful and cautious drivers.

ACCIDENT & HEALTH INSURANCE which covers every kind of accident or sickness and is free from annoying restrictions and technicalities.

HOME OFFICE: LANCASTER, PA.

J. W. SMILEY
President

E. W. COOK
Genl. Mgr.

National Surety Deal Hits Snags

(CONTINUED FROM PAGE 23)

National Surety, and holders of guaranties to the extent they are unsecured.

As it affects guaranteed mortgage certificate holders the plan contemplates an appraisal of actual values behind each particular obligation guaranteed by the National Surety. It further stipulates that all mortgages and properties behind all issues guaranteed by the company be transferred to the National Service Cor-

poration, which becomes a single corporate trustee to conduct an orderly liquidation of these obligations.

Guaranty holders would receive bonds of the National Service Corporation, the total issue to equal the appraisal upon all properties and mortgages coming into its possession. For the balance of the face amount of the guaranty, holders would receive income debentures of Nasco, Inc.

Work men's Compensation

Gather Experience at End of Year on Rejected Risks

The so-called rejected risk plan on Aug. 1 had been in effect in Illinois one year. Under this arrangement, which is a voluntary one, assignment is made to signatory companies of compensation risks, which are turned down by five companies. During the year about 190 risks were assigned. Some companies were assigned as many as six risks. Peter Malah, manager in Chicago for the National Bureau of Casualty & Surety Underwriters, who handles the details of the rejected risk plan, is preparing to call for experience of the members on the risks assigned to them.

Relief Employees Covered

BISMARCK, N. D., Aug. 1.—All employees working on national road work relief administration highway projects will be covered by compensation insurance, under a ruling by federal authorities sent to the state highway department here.

Funds to Cover Public Works

NEW ORLEANS, Aug. 1.—The state board of liquidation has authorized Governor Allen to borrow \$100,000 to be used to pay for compensation insurance on public projects. A bill appropriating money for this purpose died in the last session of the legislature.

Hearing on Silicosis Question

MILWAUKEE, Aug. 1.—B. E. Keuchle of the claim department of the Employers' Mutual Liability of Wausau, at a hearing held here by the legislative interim committee which is studying the silicosis question, said the legislature should fix the amount of compensation for workers affected with silicosis, and the industrial commission should determine the degree in which the workers have been affected by the disease.

Physicians testified as to the effect of the disease and the difficulty of determining how far it advances in a workman.

Beer Bond Rate in Omaha Drops from \$20 to \$7.50

The rate on beer bonds in Omaha has dropped from the Towner Bureau rate of \$20 each to \$7.50 for a \$500 bond covering either "on sale" or "off sale" permits, and \$10 for both, since attorneys have been unable to find any way in which the state, county, city or an individual can collect on these bonds. Attorney-General Good has concurred in this opinion. The bond is required by state law but there is no provision for forfeiture of the bond. The law calls for faithful performance of terms of the permit but this has no meaning in Omaha, where City Clerk Hannon states there are no rules or restrictions of any kind in force.

Bolton Named Underwriter

J. W. Bolton, well known Chicago casualty man who formerly for some years was manager there for the Georgia Casualty, has been appointed casualty

underwriter of the George R. Hess & Co. general agency of that city. This is a direct reporting general agency representing the United States Casualty. Mr. Bolton for a time was superintendent compensation and liability department Ocean Accident branch office in Chicago and for a year or more has done a brokerage business. He was recently manager western division branch office Consolidated Indemnity until that company folded up.

American Automobile Shows Big Gain at the Mid-year

The American Automobile of St. Louis in its semi-annual statement makes some remarkable increases. Total assets as of June 30, 1934, amounted to \$10,332,095, increase \$1,100,847 as compared with Dec. 31, 1933. Premiums in course of collection less than 90 days old went up from \$854,713 to \$1,534,842, showing that the company increased its business sharply during the six months. Cash increased from \$875,312 to \$1,240,598.

Premium reserve went up from \$3,090,440 to \$3,833,615. Loss reserve increased from \$2,525,492 to \$2,645,492. Capital remains at \$1,000,000 and net surplus went up from \$1,237,916 to \$1,921,243. The contingency reserve decreased from \$843,965 to \$150,826, indicating that market value of securities appreciated considerably since the contingency reserve represented the difference between convention values and actual market quotations.

New York Legislature in Effort to End Bus Crashes

NEW YORK, Aug. 1.—As the direct result of the Ossining bus accident, which cost 20 lives, several bills designed to prevent similar disasters have been introduced in the New York legislature. These provide for limitation of speed of buses and heavy trucks, increase to \$5,000 per passenger the amount of insurance required to be carried, instead of the present \$5,000 total limit on all passengers, requirement of regular inspection of all machines by the public service commission, and to reduce the weight of buses and heavy trucks.

Governor Lehman recommends requiring all buses to take out additional public liability coverage, ranging from \$20,000 to \$75,000 per vehicle, according to carrying capacity.

Devices to Relieve the "Not Taken" Evil Are Weighed

(CONTINUED FROM PAGE 23)

before making final decision. It is more or less comparable to the merchandising method of sending goods out on approval.

The scheme of introducing a clause, voiding the policy in a certain number of days for non-payment of premium, has been pretty well discarded. It is likely that the bureau will tackle the not taken policy question sooner or later. There seems to be no disposition to approach the job at present with the idea of promulgating some plan in the near future. The bureau is faced with a number of problems and since the question of how to minimize the not taken evil engenders so much discussion and elicits such a multiplicity of opinion, that question is being sidetracked for the time being.

John L. Mee in New Post

NEW YORK, Aug. 1.—C. W. Sparks & Co. of this city have been appointed by the American Bonding as its principal office for writing fidelity and surety business below 14th street. As manager of the new department Sparks & Co. have secured the services of John L. Mee, formerly vice-president and superintendent of agencies of the Na-

tional Surety, and one of the most widely known men in his line. Mr. Mee, since the time of the collapse of the Equitable Casualty & Surety, has been connected with the Rathbone & Co. brokerage firm of New York.

Home Indemnity Case Settled

Judgment has been entered totaling \$16,000 against the Home Indemnity by the federal court of Little Rock as surety on the bond of the defunct Southern Surety. The creditors are surety claimants. The action was brought by Elmo Walker, Arkansas ancillary receiver for the Southern Surety. Judgment was denied holders of casualty claims who were seeking \$33,000.

Leonard to Glens Falls

The Glens Falls Indemnity has appointed Harry Leonard as head of the fidelity and surety department at Los Angeles. He was formerly superintendent of the fidelity and surety department of the Edward Brown & Sons agency in San Francisco.

C. H. Davis Is Appointed

Charles H. Davis of Chicago, supervisor accident and health business Pacific Mutual, has been appointed regional vice-president-at-large of the National Accident & Health Association by President Armand Sommer. Mr. Davis is an active association worker and travels extensively for his company. He is an experienced and able contact man and will visit many clubs.

H. W. Anderson Agency Assistant

Harry W. Anderson of Chicago, formerly head of the life department of the Rockwood Company, Chicago, has been made agency assistant in the life, accident and group departments at the Travelers' home office.

In looking back over the growth of your own business, what were the factors that aided in that growth?

Giving a fair deal, or making an honest effort to do so, was one, no doubt, just as it has been with THE PREFERRED ACCIDENT.

Write us if interested in taking on a good strong company for

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The Preferred Accident Insurance Company OF NEW YORK

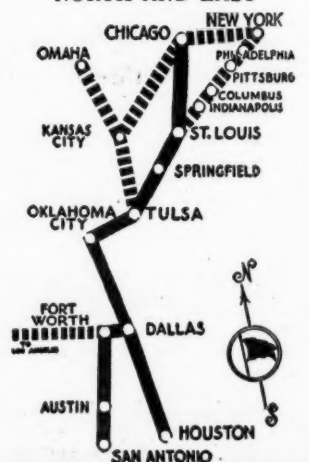
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Forget your worries and come to Galveston where you may spend a week end of complete relaxation and comfort. Play on the sands of Texas' most enjoyable beach, only a few steps from the door of Galveston's Finest, Most Popular Hotel. For reservations write or wire the Manager.

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You can always find comfortable rooms-hospitable service and excellent inexpensive cuisine....

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A DAY

Court rooms—Three fifty

MARK HOPKINS
OR
THE FAIRMONT
HOTELS

OVERLOOKING SAN FRANCISCO

four minutes from
Shops and Theatres
Garage in building

In St. Louis it's
Hotel
Mayfair

8TH & ST. CHARLES



Hotels
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AT

Dear Bob:
Excellent places.
these Hotels—real beds
comfortable rooms and
delicious food. Real
location too—right
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9TH & WASHINGTON

\$2.50 and up

A NEW POLICY

FOR INSURANCE MEN

WHILE IN NEW YORK



INSURANCE men from all parts of the United States are enjoying the business policy of Essex House.

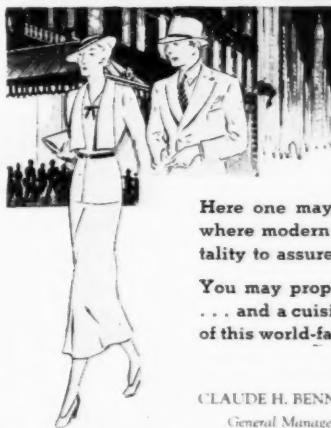
Excellent service and food, combined with spacious, airy accommodations leave nothing to be desired by the most discriminating guest.

Essex House is an ultra modern, 44 story hotel overlooking the 840 beautiful acres of Central Park and is but a step to all transportation, smart shops and theatres. Write for illustrated booklet.

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160 CENTRAL PARK SOUTH NEW YORK



IN PHILADELPHIA

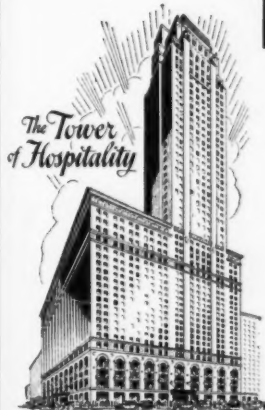
In the Heart of Things

Here one may live graciously, yet inexpensively . . . where modern luxuries combine with friendly hospitality to assure an enjoyable visit.

You may properly expect precise, thoughtful service . . . and a cuisine that is one of the enduring traditions of this world-famous hotel.

CLAUDE H. BENNETT
General Manager

**BELLEVUE
STRATFORD**



The Tower
of Hospitality

LEONARD HICKS,
Managing Director

MORE FOR YOUR MONEY

in the

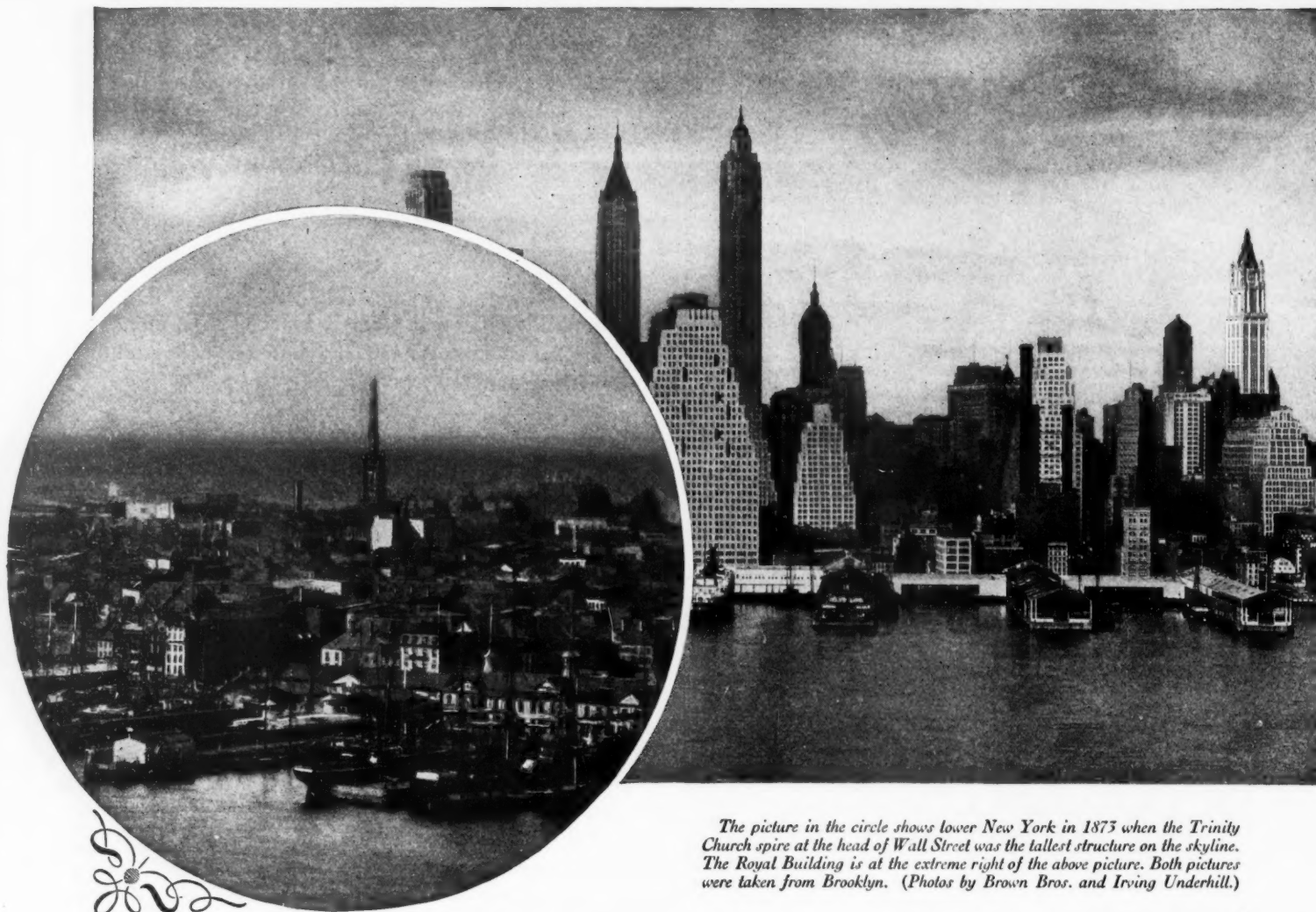
MORRISON HOTEL

350 ROOMS . . at \$2.50
350 ROOMS . . at \$3.00
400 ROOMS . . at \$3.50
400 ROOMS . . at \$4.00

All with Bath, Servidor & Circulating Ice-Water

• In the Heart of the Loop
• Home of Terrace Garden

**MORRISON
HOTEL CHICAGO**



The picture in the circle shows lower New York in 1873 when the Trinity Church spire at the head of Wall Street was the tallest structure on the skyline. The Royal Building is at the extreme right of the above picture. Both pictures were taken from Brooklyn. (Photos by Brown Bros. and Irving Underhill.)

CHANGING SKYLINE

Skylines are graphs of commercial progress—towering records of the nation's growth.

Royal-Liverpool Companies were providing insurance protection when New York had hardly outgrown the proportions of a seaport town—when San Francisco was scarcely more than a settlement of tents.

When flame-swept skylines have crumbled, only to rise to loftier heights, Royal-Liverpool Companies have contributed substantially to their reconstruction. In four great conflagrations—

Chicago in 1871, Boston in 1872, Baltimore in 1904, San Francisco in 1906—these Companies promptly met losses totaling more than \$20,000,000. Altogether, under the many forms of insurance written, the Companies listed below have paid out well over \$700,000,000 to the insuring public in this country.

To alert agents who envision future skylines the Royal-Liverpool organization can offer the representation of Companies which have built their own skylines of prestige and accomplishment on firm foundations of financial security.

ROYAL-LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA
THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA
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